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Shakhray Sees 3-4 State CIS Confederative 'Nucleus'

PM0707132394 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 6 Jul 94 p 6

[Interview with Russian Vice Premier Sergey Shakhray by unnamed "IQ" correspondent, date and place not given, under the "Rejoinder" rubric: "Sergey Shakhray, Vice Premier of the Russian Government, Answers an 'IQ' Correspondent's Questions"; from the IQ "Political Review" section]

[Text] [IQ] Sergey Mikhaylovich, I have two questions for you: What are the prospects for the reintegration of the CIS states and how do you see its stages?

[Shakhray] There is no alternative to reintegration. The only question is how it will happen. Either on a voluntary and equitable basis with the preservation of the political sovereignty of the states—and then, legally speaking, it may be only a confederation—or by an uncivilized, imperial method, with people washing their boots in some ocean or other [allusion to expansionist Zhirinovskiy remark].

The difficult situation in the economy, the impossibility of defining borders and establishing customs control to protect the country's economy, and the undeveloped state of the budget, taxation, and banking systems mean that the factors of economic reintegration are being turned into a platform for internal political struggle both in Russia and in other countries of the CIS.

Reintegration will be complex and will take place in several stages: First, it is absolutely essential to preserve the CIS by creating a confederative (Eurasian) union not in place of but within the CIS, in other words, it is necessary to form a nucleus consisting of three or four states.

I believe that the main conditions for reintegration can and will be as follows: the fight against crime and economic union.

The interim, transitional form of reintegration will be through bilateral agreements such as the Russia-Belorussia [Belarus] or Kazakhstan-Belorussia type, and so forth. In this way the network of bilateral treaties will create the model for the future Eurasian union.

Subsequently, when the political and economic forms of reintegration have been perfected, we will surely proceed along the lines of the Maastricht accords in which sets of draft agreements will be submitted to referenda.

That will take several years—on condition that political stability is preserved in the CIS countries, of course.

ITAR-TASS Carries Press Review for 8 Jul

LD0807060094 Moscow ITAR-TASS in English 0429 GMT 8 Jul 94

["Press Review"—ITAR-TASS headline; all quotation marks as received]

[Text] Moscow July 8 TASS—The ROSSIYSKIYE VESTI newspaper carries an article entitled "The Threat of Bankruptcy Looms Over Thousands of Enterprises", commenting on the results of the implementation of the president's decree" on measures for the realisation of legislative acts and insolvency of enterprises."

"Over six months have passed since the decree was signed, but no particular enthusiasm in this area has been displayed yet. Nevertheless, the present state of things as regards bankruptcy cannot be qualified as a dead season altogether. Preparations are under way, but the question is: What for? Is this a vitally important economic action carried out by the state or whether [as received] this is another "clash" between reformists and conservatives? Anyway, the concentration of forces can be seen on both poles," the newspaper said.

"Bearing in mind that the bankruptcy looms over thousands of enterprises, while the prospect of dismissal is faced by tens of thousands of "economic generals" with their vast connections, one can imagine the size of a counterbalance force," the newspaper said. "This force has not yet fully manifested itself, since many managers do not believe yet that the bankruptcy "is a serious and long- lasting matter."

The KRASNAYA ZVEZDA daily carries an article on its front page devoted to the G-7 [Group of Seven] summit in Naples opening today, attended by heads of biggest Western countries. It was earlier reported that after the discussion of economic problems a political discussion will be held attended by Russian President Boris Yeltsin.

The newspaper says that during the Naples summit participants intend to discuss ways of surmounting obstacles barring economic aid promised by the West, reminding of the fact that "our country had received an inconsiderable amount out of the 43.4 billion dollars promised in Tokyo." The newspaper expressed doubt as to whether the West would keep its promise, saying that "it is not aid that Russia expects from the Naples summit. It is more important for us to get a fair access to world markets. In a practical aspect, this might be realised by lifting discriminatory measures against Russian goods, " the newspaper said.

The NEZAVISIMAYA GAZETA dwells on the Kazakh problem: The transferal of the Kazakh capital from Alma-Ata [Almaty] to Akmol, formerly called Tselinograd. "The cost of the transferal is not known yet even by the Kazakh president, although about six months ago someone mentioned the amount of approximately 30 billion dollars. However, the Kazakh leadership pins many hopes on Western aid. Alma-Ata officials believe

that all foreign missions will be built at the expense of their owners, while as far as administrative buildings are concerned, only three of them - the parliament, the residence of the government and the Kazakh president will have to be looked after," the newspaper said.

The NOVAYA YEZHEDNEVNAYA GAZETA comments on court proceedings against the participant in 1991 August coup d'etat, Valentin Varennikov, who rejected an amnesty granted to political prisoners by the State Duma. The newspaper points out that today, varennikov's positions are practically faultless. It is quite obvious that none of the articles of the Criminal Code can be applied to the last coup plotter, while his acquittal is out of the question altogether, which means that there is no way out of the deadlock.

The same newspaper carries an interview with Yegor Gaydar who comments on the fate of Kroll's report on "party funds". "This a secret and confidential report," the newspaper quotes Gaydar as saying. "Unfortunately, there is no mention of concrete organisations and concrete persons involved. So far, its is merely traces which might be subsequently made use of in the search for the funds illegally taken out of the country," Gaydar said. According to Gaydar, the report, which had cost Russia a million dollars, was worth its price, since "it contains a number of "keys" which have already been used to prevent possible transfer of money abroad."

Commenting on Gaydar's conclusion, the newspaper points out that "the report has been so strictly classified that many find it not interesting at all for a very simple reason: The money came into possession of new owners. "What else can one think about Gaydar's words:" The report was worth its price, although the money was never found," the newspaper said.

The ROSSIYSKIYE VESTI newspaper writes, referring to the data released by the economic fluctuation service, that the general inflation index in June was 104.8 per cent. Average weekly price fluctuations in June amounted to 1.1 per cent, and for the last three weeks of the month - to 0.9 per cent. The fluctuation of prices and tariffs for services provided to the population have considerably (by three times) determined price hikes for consumer goods. Prices for services to the population have gone up by 11.7 per cent during the month.

Yeltsin To Take Part in Discussions at G-7 Summit

LD0707162094 Moscow ITAR-TASS in English 1558 GMT 7 Jul 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Nikolay Kondratenko]

[Text] St. Petersburg July 7 TASS—At the upcoming summit of the Group-of-Seven leading industrialized countries in Naples, Russia will for the first ever time be a full-fledged participant in the political part of discussions, Russian Foreign Minister Andrey Kozyrev told reporters upon arriving in St. Petersburg on Thursday.

The G-7 leaders are planning to discuss some topical international problems together with Russian President Boris Yeltsin, Kozyrev reported. Thus, the political discussion will be held by a "seven plus one" formula, which is to distinguish this meeting from all the previous ones.

We hope, the minister went on to say, that the next summits, perhaps beginning from next year, will be virtually held in a "G-8" format, with Russia as a participant in all types of discussions, both political and economic.

It is becoming more and more expedient to take part in the discussion of world economic issues, Kozyrev noted, adding this would meet our partners' interests as well. Russia has a huge economic potential, which other countries cannot but take into account, the minister emphasised.

Radio Says Full G-7 Membership 'Unlikely'

LD0807064594 Moscow Mayak Radio Network in Russian 0434 GMT 8 Jul 94

[Report by correspondent Viktor Levin from Naples]

[Text] Good morning. The Group of 7 [G-7] meeting opens in Naples today. Yes, it is already a fait accompli. Italian Prime Minister Silvio Berlusconi has given his first news conference, and from what he said, the words that it is time to open a way for Russia into Western Europe deserve special attention. To all appearances, this problem, which lately has been widely discussed at various levels by the G-7 states, will be a topic for discussion and an exchange of opinions between the leaders of the seven states at their bilateral meetings as well as at a party this evening—a candlelight dinner in an ancient castle. It is probable that they will touch upon the topic there.

So far, judging by what is being said by the media and behind the scenes, a picture is evolving which gives grounds for assessing the situation from a position of cautious optimism. I suggest that there will be a move forward toward strengthening Russia's status. This has been visibly demonstrated by the fact that the Russian flag is flying with the flags of the other states attending the Naples summit.

On the other hand, it is unlikely that Russia will become a full and equal member of the summit. If my prediction proves to be wrong, I would indeed be only too happy. At the moment, Germany and Italy are actively advocating Russia's equality, and it seems that Canada is siding with them. The United States is occupying a half- hearted position which could be described as, yes but at the same time.... France is staying in the background. Japan, bogged down in the islands problem, is against.

This is the picture today. As for tomorrow, after the finale of the Naples meeting when the G-7 leaders, after speaking not only with each other but also with Russian President Boris Yeltsin, it is quite possible that things will be different. Though I profess Napoleon's principle to prepare oneself morally for a defeat before every battle since it is easier to experience victory, I will not get the trumpets ready for action yet. It is never too late to do this. [Words indistinct] a very encouraging statement by Silvio Berlusconi, head of the Italian Government.

Kozyrev on G-7 Meeting; Partnership With NATO

LD0707223994

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1745 GMT on 7 July broadcast the 15-minute edition of "The Kremlin, Moscow" which featured Russian Foreign Minister Andrey Kozyrev speaking to an unidentified announcer. Place and date are not given.

The announcer begins by commenting that Russia was uncertain of its role in the world, and then Kozyrev is shown saying the following:

"The main task of any state is not to trade in place of its entrepreneurs or goods producers—whether they be state or private is of no importance—the important thing is something else: To create the conditions. That is the significance of the agreement signed by the president on Kerkyra—or Corfu. It makes it possible for entrepreneurs, industrialists, state, nonstate, this or that corporation or bank to fight for its place on the European market which we share—a huge market. It is of course a civilized market, a profitable market for us.

"It allows them to fight for themselves. Our policy can either create an unsurpassable barrier—that is what the opposition is suggesting for us. The opposition is suggesting that we conduct a policy that means essentially a new confrontation with the West, which would, of course, lead to a toughening instead of a lifting of economic barriers, because the same corporations do not have an interest in the arrival of a new competitor. They will tell their governments: Ban them because they are our enemies.

"Or our policy can create favorable political conditions in which the same corporations are asked: 'So do you want us, as a state, as a government, to discriminate against the Russians, against Moscow? It is not the old Soviet Union now. They are our friends now. So we cannot do that.'

"It only remains to implement that cooperation in the sphere of business. Therefore, I think that our policy really is aimed at, and is deliberately aimed at, allowing our entrepreneurs—and here I include all forms of property—to fight on the international market as equals, but no one is going to win their business battles for them."

After a pause in the program to sum up Kozyrev's career, he is shown speaking again:

"It is thought that partnership with NATO is not to our advantage economically. The opposite is, in fact, true. If we do not establish a partnership with NATO, then there will be no possibility of us entering the NATO arms market. If we are partners with NATO, then we can raise the question, and we have already begun to raise it, of the creation of a new generation of aircraft. France, Germany, and the United States—the leading aviation powers, so to speak—are fighting for the order. We will fight, too. Imagine the sort of market."

Here there is another pause and the program announcer comments that: "The day after tomorrow Andrey Kozyrev will fly to Naples along with Boris Yeltsin for the latest G-7 meeting." Kozyrev is then shown speaking again:

"At that meeting, the first major step will be taken in turning the G-7 into a G-8. International political problems will be discussed in the format of a G-8—eight equals. World economic problems will still be discussed by a G-7, but the economic cooperation between the G-7 and Russia will be discussed in a format of seven plus one. So there will be, so to speak, three meetings in Naples: the G-7, seven plus one and, on political matters, the G-8.

"Independent Russia has been in existence now for two years. That is not bad, I can tell you. The G-7 itself took years to create. So we also have an element of impatience about us. Yesterday we were sitting in a tin can behind the Iron Curtain not talking to anyone, now, the next day, we want full membership and we want it now. Life is not like that. There are elements, then, of a certain process, but, of course, though we continue to say that we want a full G-8 we should realize that a major first step is being taken toward a G-8."

Officials, Press on Participation in G-7 Summit

LD0807093094 Moscow ITAR-TASS in English 0828 GMT 8 Jul 94

[By ITAR-TASS]

[Text] Moscow July 8 TASS—For the first time in the history of G-7 summits Russia will take part in it as an equal partner. Russian President Boris Yeltsin is flying to Naples in July to meet heads of leading industrialized countries. The Russian president is expected to meet the Italian Prime Minister Silvio Berlusconi and the U.S. President Bill Clinton. It is not ruled out that President Yeltsin will meet leaders of other countries taking part in the Naples summit.

Russian Foreign Minister Andrey Kozyrev told journalists that a political part of the discussion will be held in the format of the "eight". This is the main difference of this summit from other G-7 summits held earlier, he said. "We proceed from the assumption that at next similar forums, perhaps, next year or a year after, both the economic and political discussions will be held in the format of the "eight", Kozyrev said. Taking part in the discussion of world economic problems seems to be even more expedient, the minister said, adding that "this would meet the interests of our partners as well."

Russian Deputy Foreign Minister Sergey Krylov, speaking about the forthcoming meeting in Naples, noted that "today, we can speak about a major breakthrough as far as Russia's integration into main European associations is concerned." In an interview with the ROSSIYSKIYE VESTI newspaper Krylov said that recently, not a single G-7 summit was held without the participation of the Russian president. On the other hand, regrettably, in the sphere of economics, we cannot fully take part in the work of the G-7, he added.

The ROSSIYSKAYA GAZETA points out that without Russia's full- fledged participation in working out G-7 political decisions on a global scale, all of them will run the risk of remaining on paper.

The MOSCOW NEWS weekly writes that one should not cherish too many hopes about Russia and the G-7 being brought closer together. The newspaper says that by inviting Yeltsin to attend the Naples summit, organizers of the meeting stressed that this does not mean expanding the G-7 at Russia's expense. Although Yeltsin had been promised full-fledged and equal participation in a number of discussions, his participation will be limited predominantly by issues of a political character. As for the economy, the Naples forum will talk with Russia not about global processes, but rather about its economic reforms, the MOSCOW NEWS said.

Nevertheless, the main idea underlining all commentaries made by the Russian press is as follows: By inviting the Russian leader to Naples, the G-7 admitted that despite Russia's economic weakness, to ignore Russia is both impossible and not politically wise.

Yeltsin Sends Kravchuk Message on G-7 Meeting

LD0707121294 Moscow INTERFAX in English 1017 GMT 7 Jul 94

[Text] On Wednesday Russian Ambassador Leonid Smolyakov transferred to Ukrainian President Leonid

Kravchuk a message of Russian President Boris Yeltsin due to the upcoming G-7 summit in Naples.

Smolyakov stressed that the message of the Russian president was due to the necessity for CIS countries to find understanding with Western countries, for instance in the issues concerning aid of the world community to the former Soviet republics.

Smolyakov said that though Russian-Ukrainian issues were inundated with various political and economic problems there were no reasons for worrying about the future of relations between the two independent countries.

Smolyakov voiced hope that the treaty on partnership, friendship and cooperation which would be signed in the future would lay the foundation for new more productive relations between Russia and Ukraine.

"We will be doing anything to eliminate political tension and so that people do not feel it," Smolyakov said.

G-8 Seen as 'Serious Investment' in Stability

PM0707134194 Moscow ROSSIYSKIYE VESTI in Russian 7 Jul 94 p 3

[Article by RIA-NOVOSTI political observer Vladimir Simonov, especially for ROSSIYSKIYE VESTI: "Investment in Stability. Meeting of Leaders of G-7 Countries and Russia Begins in Naples 9 July"]

[Text] Naples—This is the end of the Russian leaders' period of waiting in the G-7 lobby. President Yeltsin will be a fully fledged and equal participant in talks on political questions at the 20th meeting of the leaders of the most developed democracies of the West and Japan, due to open here in Naples. Starting with the official dinner on Saturday 9 July, he will join in the discussion of problems like the settlement of the conflict in Bosnia, the crisis around North Korea's nuclear program, the situation in the Near East, and the restoration of legitimate power in Haiti.

Thus the Russian leader will be given a real opportunity to influence the formulation of the Naples summit's concluding political declaration. Together with the G-7 leaders, he will append his signature to this, and possibly to other documents.

Let us recall that, since the first years of perestroyka when the G-7 started showing interest in the Kremlin leaders, they had the status of visitors at the group's summits, or rather that of an eyewitness. In July 1991 Mikhail Gorbachev humbly waited in London's Lancaster House to be summoned and given an opportunity to make a brief statement, to be asked to answer a few questions, and to be finally given to understand that the audience had come to an end. No substantial changes in this regard took place in Munich (1992) and Tokyo (1993). Naples will become a watershed, after which the G-7 will more than likely begin its transformation into a political G-8.

There are several reasons for this. First, according to prevailing opinion in the West, Russia has successfully traversed the first and most risky period of reforms. Following the point in time when their future hung in the balance, Moscow has succeeded in accomplishing two things: To complete the initial stage of privatization and to adopt a budget forecasting inflation at under 10 percent. Premier Viktor Chernomyrdin has proved to be a convinced and cautious reformer, rigidly controlling expenditures. The credits issued by the IMF and the World Bank prove that these influential international organizations feel not only trust in, but also obvious sympathy for Chernomyrdin's government.

Second, over the last few weeks Moscow has embarked on major actions indicating its desire to open up to the world community—it joined NATO's "Partnership for Peace" program and concluded a cooperation treaty with the European Union. Boris Yeltsin's newly acquired status among the G-7 leaders will give the Kremlin's diplomatic offensive the characteristics of a logical and completed triad.

The last few days have seen a noticeably swelling flow of statements by Western spokesmen which seem to be attempting to diminish the importance of Russia's new status. For example, an anonymous high-ranking functionary of the U.S. Administration warned that the G-7 will remain the G-7 even after Naples. Similar utterances have also come from Tokyo, pointing out that Russia is apparently an aid-recipient country whereas the G-7 are the generous donor, and that it would be strange to have them sit around the same table as equals.

It seems that this approach ignores an important factor: Russia's stage-by-stage integration in the club of the world's leading industrial powers is in line with the strategic interests of all participants in this process. As a matter of fact, is the West not disappointed by the rather high political risk which it perceives as an influential factor of Russian life? Hence the fear to invest on a larger scale. Hence the Western politicians' constant worry: What if someone less well disposed toward cooperation were to arrive in the Kremlin?

Yet this attempt to alienate Russia from the West, first by using the "iron curtain" and now by refusing it the G-7 membership card, is what creates the breeding ground for the proliferation of ultranationalists speculating on Russia's need for national and state self-assertion. In this context, Moscow's admission to the G-7 would be a blow against the Zhirinovskiy line and, therefore, a serious investment by the West in Russia's stability.

"This is by far not the sole reason, but it is one of the weighty reasons why it is necessary to transform the G-7 into the G-8," I was told by an influential staffer from the apparatus of Yeltsin aides now in Naples. "We

perceive this as a two-stage process. Russia is already an indispensable partner in political matters, therefore it is necessary to begin applying the G-8 formula to the political area. The 7+1 formula ought to be developed in the economic sphere. As Russia gets involved in the world economy, the process of its integration into the G-8 will be completed."

This will, of course, take longer than just three days. But it will not stretch into the distant future, either. The Naples summit would go down in history if it were to enshrine in its documents the beginning of the creation of a G-8 including Russia.

Political 'G-8' 'Already in Existence'

PM0707124194 Moscow ROSSIYSKIYE VESTI in Russian 7 Jul 94 pp 1, 3

[Interview with Deputy Foreign Minister Sergey Krylov by Anna Kozyreva under the "Ahead of the Event" rubric; place and date not given: "The 'G-8' Formula. Russia's Deputy Foreign Minister Sergey Krylov Reflects on the Forthcoming Heads of State Meeting in Naples"—last paragraph is unattributed "Stop Press" report]

[Text] [Kozyreva] Is it possible today to speak of a new phase in Russian diplomacy? After all, the "Partnership for Peace" program was signed recently, an agreement on cooperation with the European Union [EU] was signed in Corfu, the Naples summit meeting is imminent....

[Krylov] Yes, of course, this is a new phase. But it must be said that our diplomacy's successes were neither unexpected nor accidental. Work had been going on for a long time—two years on the agreement with the EU, since last year on the "Partnership for Peace," and we did play our part in this program's emergence.... It was a pure coincidence that the results of this work emerged simultaneously—the signing of the military cooperation program, Corfu, and Naples. The international diplomatic calendar decided that all this should happen at the same time.

Of course, today we can talk of a major breakthrough as regards our country's accession to basic European associations.

[Kozyreva] Can it be that there will be no surprises in Naples? And will it be possible, in the wake of this meeting, to speak already and openly not about the G-7 but about the G-8?

[Krylov] Naples will be primarily a meeting of the G-7, but you may well recall how it all came about. Some 20 years ago, representatives of the most developed countries started gathering to informally discuss the state of affairs in the world and the possibilities to influence events. Nowadays, as far as the political aspects of world affairs are concerned, we are of course already talking of the G-8 rather than the G-7. This is already the de facto status. But the G-7 is not an organization where membership is conditional on the signing of a relevant document, protocol, or agreement. Thus, let us first wait for the meeting to end before we start evaluating its outcome. But I repeat that, as far as political aspects are concerned, the G-8 is, in my view, already in existence.

Look at the intensity of our contacts: Our president has attended all recent G-7 meetings. It is a different matter that, in the economic sphere, today we are unfortunately unable to participate fully in the G-7's work. But I hope that this situation will not prevail for very long. After all, let us not forget that Russia has signed an agreement with the EU. This is an agreement between equal partners. We have witnessed the de facto economic unification of Europe's two parts—the East and the West. West Europe, which was quite isolated, has been joined by Russia with its vast markets, its huge need for capital, its colossal intellectual potential, its technical potential, and finally its commodities which have been given access to West Europe's markets. Not all of its commodities, of course, and subject to certain restrictions. This applies to commodities subject to quotas, but quotas are not a discriminatory measure, they apply to all countries and not just to Russia. Generally speaking, the signing of the latest agreements was both a world political event and a world economic event.

[Kozyreva] Nonetheless, the opposition today is saying that the agreement with the EU consolidates Russia's colonial status and that Russia is turning into a raw materials appendage of the West. It is also talking about unequal partnership with NATO. What would you say in reply to these opponents?

[Krylov] People can indeed be heard shouting that Russia is once again at a disadvantage, that it has been humiliated.... But this is just a slogan, just a wish to attract people to their side. As a rule, the opposition has not analyzed the signed document in depth. Let us look: How specifically is Russia being disadvantaged? Has anyone actually formulated this claim clearly?

[Kozyreva] The formulation runs thus: Russia continues to export raw materials and semimanufactures, and it has no opportunity to export finished goods and high technology products....

[Krylov] I cannot just say that this is wrong, and leave it at that. This would be as much of a slogan as that used by the opponents. I will try to answer using specific examples. Let us look at mutual relations between the United States and Japan. These are two industrially developed countries. But look at what is happening: The Americans are complaining that the Japanese do not allow U.S. goods like refrigerators and cars to enter their domestic market, while Japan has flooded the United States with its own refrigerators and cars. Unfair? If we examine the situation from Japan's point of view, we see the following: The United States makes very large refrigerators with a capacity of 300-400 liters, the Japanese homes are small and not suitable for such refrigerators, and the

same applies to cars—the Americans ride large cars, the Japanese prefer them smaller. As we can see, this is not a question of restrictions or even the quality of goods, it is more a case of meeting a given market's demand for specific goods. Those who say that Russia is becoming a colonial state have better ponder: To what extent do our goods meet the world market's requirements, can we really compete against the products of West European countries?

Will our mixers or vacuum cleaners stand up to comparison against similar products from Germany? We have good military equipment, but the European countries' armies have enough weaponry.... If, for example, they were to buy our truly good military aircraft, this would actually involve long-term deliveries of spare parts and the retraining of personnel.... Generally speaking, things are not always all that simple, even with competitive products. Let alone a triviality like the absence of bar codes on the packaging of our goods, because without such machine-readable bar codes, containing all data concerning the product, it is impossible to pass the customs examination....

Nor should it be forgotten that certain contradictions also exist between EU countries as well. Each EU country protects its own domestic market. How many times have we seen on television French fishermen, for example, or Spanish peasants protesting against the purchase of fish or agricultural produce by their country's government....

[Kozyreva] In the past, the Foreign Ministry's relations with the former Supreme Soviet were quite complex. Many international treaties have remained unratified. What is the current situation?

[Krylov] I believe that today we have working relations with parliament. There are, of course, questions on which we differ, but this is a normal phenomenon. My own experience of work with the Duma committees shows that if you argue well in defense of your position, your opinion will be heeded and accepted. I can say that members of the Committee for International Affairs in particular carefully consider the documents which are submitted for examination and make numerous useful contributions. A whole series of amendments submitted by them have improved the documents on which we have worked. Now about the treaties which have not been ratified. There are many of them, about 100 in all. We have submitted to parliament a list of these treaties and agreements. Some of them are already being considered by the Duma.

Why has ratification been delayed? Because, after the Duma's election, its internal standing orders were not elaborated and there was no definition of the form in which various documents should be submitted.... Generally speaking, everything was linked with organizational problems. There is another point as well. At times it is difficult to decide unambiguously whether some agreement is advantageous for Russia or not. Any treaty involves reciprocal concessions. Some win on one point, others win on another. Take for example the question of ratifying the Convention on the Sea Bed. The convention was signed by a series of states back in 1982. We started work on it 10 years ago. So far the convention has been ratified by 60 countries. Now we have very actively discussed in the Duma the question of whether Russia should now ratify this convention, whether we would lose or gain.

The issue specifically revolves around the point that a new international organization will be created to tackle questions associated with the sea bed. Realistically speaking, the exploitation of the sea bed's wealth is impossible today, this is a matter for the future. At the same time, if we were to ratify the convention now, we would have to immediately pay rather large contributions to the maintenance of an establishment of international functionaries. There are plenty of similar questions.

[Kozyreva] How would you define the difference between Soviet and Russian diplomacy, and is it altogether possible to speak of any difference? Or could it be said that you are pursuing the line of the Russian school of diplomacy?

[Krylov] This is a rather broad topic. In brief, I could say that our school of diplomacy has always been distinguished by several features of which we have always been proud. Primarily an awareness of our fatherland's interests and the highly professional ability to uphold them. It is a different matter that interests have varied at different times and they have been perceived differently. There is, for example, a major divergence between the perception of state interests in the 1950's and the 1990's. But our ministry's staffers have always upheld and defended these interests of the state (indeed of the state, not of some stratum of people) very capably and inventively, with great imagination and endurance, with great diplomatic skills—and this tradition is being continued. This is the main point.

[Kozyreva] Will there be any cadre changes in the Foreign Ministry?

[Krylov] A number of new ambassadors are due to be appointed shortly. It is not worth talking of any serious cadre changes in this context. Things are much simpler. Following the adoption of the new Constitution, and in accordance with Point M of Article 83, the appointment and recall of ambassadors and representatives at international organizations take place after consultations between the president and the relevant State Duma committees and commissions. Bearing in mind that we have more than 100 diplomatic missions, a small "line" has formed. And that is all. No shocks lie in store for us in the future. [Krylov ends]

Stop Press

The composition of Russia's official delegation to the G-7 Naples summit has been confirmed. President Boris

Yeltsin's 9-10 July talks with the leaders of the world's most developed countries will be attended by First Vice Premier Oleg Soskovets; Vice Premier and Economy Minister Aleksandr Shokhin; Foreign Minister Andrey Kozyrev; First Assistant to the President Viktor Ilyushin; Foreign Economic Relations Minister Oleg Davydov; and Acting Finance Minister Sergey Dubinin.

Bosnian Solution Should Be Reached at 'Geneva-3'

LD0707181494 Moscow ITAR-TASS World Service in Russian 1555 GMT 7 Jul 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Nikolay Kondratenko]

[Text] St. Petersburg, 7 Jul—Andrey Kozyrev believes that the Bosnian problem should receive a final solution at the Geneva-3 forum. In a conversation with journalists in St. Petersburg, where he arrived from Belgrade today, the Russian foreign minister expressed his point of view on the results of the meeting he chaired in Geneva of the heads of the foreign policy departments of Russia, the United States, and the countries of the European Union.

In the next two weeks, he said, the sides in the Bosnian conflict will try through talks to "adjust" the map in accordance with their own interests. We based our approach on this and, therefore, consider it necessary to hold a Geneva-3 forum.

Kozyrev noted that it is initially planned to hold this forum at the ministerial level, but it is not ruled out that the countries' leaders may participate since it is intended to ultimately dot the "i"s. He did not rule out the possibility that the question of the level of the Geneva-3 conference could be discussed during the political part of the Naples meeting in which Russian Federation President Boris Yeltsin will participate with the leaders of the G- 7.

The idea of holding a meeting of leaders of the countries that participated in the Geneva conference on Bosnia has now become urgent. The minister recalled that the Geneva-1 meeting marked the start of the process and created a specific basic framework. After the first meeting, our partners proposed that the "peace ultimatum" should be adopted finally at the Geneva-2 forum. However, we put forward the concept of an additional two meetings—the one that has just taken place and Geneva-3.

The package of measures has already been agreed upon, but the sides have been given time to think things over. The language of the documents does not yet amount to an ultimatum. The final proposals should be crystallized into an ultimatum, into a "yes" or a "no" at the third meeting. Two weeks have been given for the sides to be able to make changes to the map of territorial demarcation. The minister stressed, however, that their proposals should not represent a total redrawing of the map.

Moscow Urges Bosnian Sides To Accept Compromise

LD0707180094 Moscow INTERFAX in English 1425 GMT 7 Jul 94

[From the "Diplomatic Panorama" feature]

[Text] The territorial division plan approved at the second ministerial conference on Bosnia in Geneva is a compromise, "neither humiliating nor truncating for either side."

As the Russian Foreign Ministry Spokesman Karasin told newsmen in Moscow Thursday, "it keeps the strategic interests toward territorial division in balance."

The conflicting sides were two weeks to respond. Karasin explained that if the Bosnian side (Moslem-Croat Federation) accepted the offered map of territorial division, they could rely on help to achieve a territorial settlement and rebuild the war-ravaged economy. Should the Serbs favorably respond to the Geneva offers, they could expect the sanctions to be suspended, provided, naturally, they withdraw their troops to the frontiers, marked on the map.

Among the measures that could be used to restraint an intransigent side, Karasin pointed to the possibility of "stiffening the UN Security Council's resolutions concerning the security zones." "If the sides force the international community to resort to tough measures, the issue on lifting the arms embargo could be raised as a means of pressure. This would naturally bring up the issue on UNPROFOR [UN Protection Force] presence in the zone of hostilities." Meanwhile, Kozyrev declared in Belgrade that the plan for a settlement in Bosnia, endorsed in Geneva was the best plan that could be adopted.

As the Interfax special correspondent Dmitriy Bovkoboynikov reports, Kozyrev kept on repeating in regard to Yugoslavia and Bosnian Serbs that they were Russia's friends, and their wishes had been brought to the Russian leadership's knowledge during work on the Geneva plan.

Kozyrev admitted that the Geneva conference "did not meet all the Bosnian Serbs requests, nor did it satisfy the other side's (Moslems and Croats—IF) wishes." Nonetheless, the Geneva plan is the best possible solution.

He explained that if the Bosnian Serbs approved the plan, they could exercise the same rights as the Croats and Moslems had and could form a confederation with Yugoslavia but keep Bosnia's unity "at this historic stage."

'Well Informed Sources' Say Iraq's 'Aziz in Moscow

LD0707121994 Moscow ITAR-TASS World Service in Russian 1133 GMT 7 Jul 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[Text] Moscow, 7 Jul— As the ITAR-TASS correspondent has learned from well-informed sources, Iraqi Deputy Prime Minister Tariq 'Aziz has arrived in Moscow today. The department of the Near East and North Africa of the Russian Foreign Ministry has neither confirmed nor denied that Tariq 'Aziz was in Moscow. At the same time the Arab newspaper AL-HAYAH published in London citing its Moscow correspondent reported that the prominent politician of the Iraqi regime, who is now fulfilling the role of the chief champion of Baghdad's interests connected with getting the international community to lift sanctions against it, might now be in Moscow.

The sensational news of 'Aziz's arrival in Moscow fits into the pattern of Baghdad's persistent attempts to persuade world public opinion that it is scrupulously complying with the resolutions adopted by the UN Security Council after Iraq's attack on Kuwait. This, the Iraqi leadership believes, should lead to the earliest possible lifting of the embargo. It is a fact that 'Aziz's efforts are meeting with an increasing response from the world community, especially among European business circles, which are keen to resume cooperation with a country which has been affected by restrictions for over three years. On 18 July the Security Council is due to discuss a report on Baghdad's compliance with the world community's conditions. Preliminary forecasts indicate, however, that Iraq can hardly bank on an early lifting of sanctions.

At Tuesday's briefing at the Russian Foreign Ministry press center Boris Kolokolov, the Russian deputy foreign minister, said that Moscow was prepared to ask the UN Security Council to examine the question of lifting the oil embargo against Iraq once a certain trial period has elapsed. The high-ranking Russian diplomat believes that Baghdad has already complied with most of the "disarmament" resolutions.

It should be stressed that Russia is one of the countries which has suffered most from the imposition of international sanctions against Iraq. Its losses amount to many billions of dollars.

Russian Foreign Minister Andrey Kozyrev is currently en route from Belgrade to St. Petersburg, but he will arrive back in Moscow tomorrow. 'Aziz is expected in New York on Sunday [10 July], where he will continue lobbying the UN Security Council on behalf of his country.

Reportedly To Meet Kozyrev

LD0707120094 Moscow INTERFAX in English 1017 GMT 7 Jul 94

[Text] According to diplomatic sources, Russian Foreign Minister Andrey Kozyrev will meet with his Iraqi counterpart Tariq 'Aziz in St. Petersburg on Thursday. 'Aziz is in Russia for a private visit.

The Russian Foreign Ministry has neither denied, nor confirmed this information.

Director of the Foreign Ministry's Information and Press Department Grigoriy Karasin announced that on Thursday Kozyrev had flown out from Belgrade to St. Petersburg. "The goal of his visit to St. Petersburg is to inspect the preparations for the visit of Queen Elizabeth II," he said.

A few days ago, Deputy Foreign Minister Boris Kolokolov stated during a briefing in Moscow that Russia might initiate the lifting of sanctions from Iraq, if Baghdad implemented the U.N. security Council's resolution on the post-crisis settlement in the Gulf.

Deputy Foreign Minister on Yemen Cease-Fire

LD0707160494 Moscow INTERFAX in English 1425 GMT 7 Jul 94

[From the "Diplomatic Panorama" feature]

[Text] Russia's Deputy Foreign Minister Boris Kolokolov told Interfax on Thursday that the ceasefire agreement in Yemen, signed in Moscow last week under Andrey Kozyrev's mediation, does not need to be reanimated. "It is in force, but is not implemented," he said.

He also said that both sides violated the agreement. "And yet, the North, and the South highly estimate the Moscow meeting and the conclusion of the agreement," he said.

Although the Moscow ceasefire agreement is not implemented, it works in the sense that it reflects our interest in reconciling the conflicting parties, said Kolokolov. "This document is not dead and the search for a compromise at the negotiating table continues, he said.

He found it difficult to say when exactly the parties will start implementing the ceasefire agreement. "Although many agreements have been signed on the settlement of the Georgian-Abkhazian conflict, fierce fighting continued until the Russian peacekeeping forces separated the conflicting parties. There have been many agreements and lofty declarations which remain political documents and are guiding us along. The same is likely to happen in Yemen, he said.

He confirmed that Moscow continued to maintain contacts with the North and South in hope for ceasefire. "We are trying to persuade the sides not to open return fire," said Kolokolov.

In his opinion, the situation in Yemen was complicated and unpredictable. "Given this, Russia will urge the sides to hold talks and work for the attainment of agreements," he said.

Moscow Pleased With Progress of Palestinian Self-Rule

LD0707192194 Moscow ITAR-TASS World Service in Russian 1300 GMT 7 Jul 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 7 Jul—Moscow is, on the whole, satisfied with how the introduction of Palestinian self-rule is proceeding in the Gaza Strip and Jericho. Russia is also continuing to be actively involved in the Near East peace process, of which it is a "co- sponsor." Grigoriy Karasin, director of the Russian Foreign Ministry Press and Information Department, said this at a briefing today.

The Russian Foreign Ministry, he noted, is on the whole pleased with the results of the fifth round of sessions that have just ended of five working groups that are providing multilateral guidance in the Near East peace process. "The assistance group must sum up the final results of the round and set future plans for the "multilaterals," in accordance with the established procedure. It plans to sit in Tunis on 12-13 July this year. Viktor Posuvalyuk, the Russian president's special representative for the Near East peace process, is leaving for Tunis to take part in the session," G. Karasin said.

Kozyrev—Russia Seeks 'Stronger Mechanisms' at CSCE

LD0807082194 Moscow ITAR-TASS in English 0634 GMT 8 Jul 94

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[Text] Moscow July 8 TASS—"Russia is for stronger mechanisms at the Conference on Security and Cooperation in Europe—this is the essence of our latest proposals," Russian Foreign Minister Andrey Kozyrev said in an interview with ITAR-TASS on Thursday.

A letter sent by the Russian minister last month to the present CSCE chairman, contains a proposal to carry out a sweeping reform and to set up a security council of a kind within the European conference.

"We believe that the CSCE," Kozyrev explained his initiative, "plays the central role in the entire architecture of operating international organisations on the continent. This does not presuppose the establishment of hierarchical leadership, a command of a kind by the European Conference.

"Speaking of the central role, we have in mind that it is the largest organisation relying on a huge international legal basis."

The Bosnian crisis also corroborates the need for raising the role of the European Conference. The CSCE is better familiar with the problems of the continent. The zone of influence of the European Conference is now very vast and covers not only traditional Europe.

"The most important achievement of our diplomacy," Kozyrev continued, "is that Russia insisted on inclusion of all the new independent states in the territory of the former Soviet Union into the CSCE. This was done, despite a strong resistance and attempts to sever at least Asian and Transcaucasian republics from the CSCE.

"To our mind, this could alienate those republics from the process symbolised by the European Conference. However, taking into account the position of Russian-speaking population, it was the csce that established quite definite obligations in the sphere of human rights, democracy and national minorities."

To ensure these principles, it is important now to give adequate tools to this organisation. Russian diplomacy has been doing this over the past two years. The post of human rights commissar was established within the European Conference and other measures carried out.

The CSCE sends observers to conflict zones in the territory of the former Soviet Union. It should be noted that the United Nations, for instance, often has a shortage of forces and funds to settle such issues. This is true of the situation in Abkhazia and Tajikistan.

The U.N. is involved in settling conflicts on other continents and is overloaded with dozens of problems.

It is also necessary to take into account peculiar features of the European region. It is important that European structures, more close to local problems, should operate in this region. There is no need for accentuating the role of a single organisation, say, of nato which includes far from all countries.

NATO would not be able, for instance, to supervise a peace operation in Bosnia where there is also the Russian military contingent.

"Therefore, it is important," Kozyrev said in conclusion, "to strengthen precisely the CSCE. We suggest that a coordination mechanism of the Security Council type be set up for the CSCE in order to take efficient decisions. It could consist of countries displaying the most active interest in settling problems on the continent, including Russia.

"We seek to consolidate and stabilise what was accumulated by the European Conference and to make a stride forward at the same time.

U.S. 'Distorted,' 'Understated' Nuclear Program Data

PM0707151794 Moscow KRASNAYA ZVEZDA in Russian 5 Jul 94 p 3

[Article by Manki Ponomarev: "The Secret Is Out. New Facts About the U.S. Nuclear Program"]

[Text] During Russian Prime Minister Viktor Chernomyrdin's recent stay in Washington the United States officially confirmed that it had already shut down its reactors for the production [proizvodstvo] of plutonium and ended its production [narabotka] for military purposes. Of course, this can only be welcomed. But something else has come to light. It turns out that back in 1962, at the time of one of the tests of a nuclear device, the Americans used plutonium obtained in the course of operating a nuclear electric power station, in other words for civilian purposes, so to speak.

It had been known previously that, despite all the ostentatious openness, the genuine data on the nuclear program in the United States were kept securely locked away or were deliberately distorted. Only now is it becoming clear behind what a dense veil of secrecy they were hidden and to what degree they were falsified in order to conceal from the public both the scope of U.S. preparations for nuclear war and the danger to which Americans themselves were thereby exposed. Only now, when the Department of Energy has declassified a number of documents, have many facts (undoubtedly, still far from all) come to the surface.

It has come to light, for example, that in at least 63 instances when nuclear explosions were announced, in fact not one but two or even six charges had been detonated. But this was done in such a way that it seemed as if just one powerful device was being tested. In this generally simple way 195 nuclear explosions were concealed, and the number of nuclear tests conducted by the United States now stands at 1,149, although only recently it was officially reported that there had been just 954.

The amount of highly enriched uranium (they still call it weapons-grade) produced in the United States was also deliberately understated. Only now has Washington admitted that a sum total of 994 tonnes of such uranium was produced in the country. Maybe even somewhat more—it turns out that not all the uranium produced and not all the plutonium have been properly recorded.

A huge number—up to 11,000—of declassified documents concern to one degree or another radiation experiments that were conducted on people in the United States through the eighties. These documents contain, in particular, information on 48 such experiments, whose victims were no less than 1,200 people. A number of accidents at U.S. nuclear installations, their causes and consequences, and the ecological situation in the region of such installations and nuclear test sites are also reported on.

All this now declassified information reminds us once again of the abyss into which mankind was sliding and of the deadly threat to which it was exposed. And to which it is still exposed today.

Clinton Support for Baltic Russian's Rights Welcome

LD0707194694 Moscow ITAR-TASS World Service in Russian 1237 GMT 7 Jul 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 7 Jul—One of the main criteria used in evaluating the results of the Riga summit between the four presidents will be the practical measures that the Baltic countries take in resolving problems worrying the European and world communities and their neighbor, Russia. Grigoriy Karasin, director of the Information and Press Department of the Russian Foreign Ministry, said this at a briefing today in connection with the completion of U.S. President Bill Clinton's visit to the Baltics, during which he met the presidents of Lithuania, Latvia, and Estonia.

Moscow, he said, had noted that guaranteeing the civic rights of the Russian-speaking population was among the issues that were touched upon during the meetings and conversations between the parties. Grigoriy Karasin quoted B. Clinton who stressed that "the United States will support the Russian population and the minorities in the Baltics and this problem is important for us and our country."

Yeltsin, Niyazov Discuss Ties, G-7 Issues

LD0707174694 Moscow ITAR-TASS in English 1656 GMT 7 Jul 94

[By ITAR-TASS correspondent Lyudmila Glazovskaya]

[Text] Ashgabat July 7 TASS—Russian President Boris Yeltsin had on Thursday a telephone conversation with his counterpart Saparmurad Niyazov of Turkmenistan.

The two presidents discussed bilateral Russian-Turkmen relations and pointed out that they were acquiring a new quality and new forms of mutually beneficial cooperation on an equal basis.

Both leaders expressed satisfaction at a more concrete economic cooperation between the two countries, which fully meets the national interests of Russia and Turkmenistan.

Yeltsin and Niyazov agreed that a Turkmen governmental delegation would shortly arrive in Moscow to coordinate some issues of Russian- Turkmen cooperation with the Russian Government.

During the conversation, the Russian president promised that at the upcoming G-7 summit with Russia's participation, he would voice Niyazov's opinion that the

highly developed great powers should provide assistance to both Russia and other newly-independent states.

The Russian and Turkmen president reiterated their commitment to closer and better ties between their states, governments and peoples, which is to strengthen stability and cooperation at both the regional and the world scale.

Grachev Opposes Turkish Troops in Karabakh

LD0807101894 Moscow ITAR-TASS in English 1001 GMT 8 Jul 94

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow July 8 TASS—Russian Defence Minister Pavel Grachev resolutely opposed the idea of deploying Turkish peace- keepers in the zone of the Nagorno-Karabakh conflict. He said that this may become possible only in case the CSCE okays international peace-keepers in the region, which would include Russian forces.

"Turkey cannot unilaterally deploy its troops in Azerbaijan. Russia also has its interests in Transcaucasia which are not less, but may be even bigger than the Turkish ones", Grachev told TASS on Friday commenting on the statement of Turkish Chief of Staff Dogan Gueres that his country can send as much troops to Azerbaijan as Baku requests. The Turkish commander arrived in Azerbaijan on an official visit on Thursday.

Grachev added that the Turkish chief of staff "has his own opinion which, however, does not mean that he would order the deployment".

According to Grachev, Gueres said that Turkish troops can be deployed in the conflict zone only under the CSCE auspices which has no troops of its own, but is the political peace-keeping organisation of Europe.

"If under the CSCE auspices both Turkish and Russian troops are deployed, then we shall propose to deploy other troops as well", Grachev said.

Foreign Ministry Welcomes Efforts on DPRK Issues

LD0707132694 Moscow ITAR-TASS in English 1303 GMT 7 Jul 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow July 7 TASS— Russia welcomes the U.S. and North Korea's intention to resolve the nuclear problem by peaceful means," said Grigoriy Karasin, director of the press and information department of the Russian Foreign Ministry, at a briefing held here today.

The briefing was held in connection with the U.S.-North Korean talks on the settlement of the North Korean nuclear problem which will be resumed on Friday.

"Welcoming bilateral efforts for the settlement of existing problems, we believe that their comprehensive and efficient solution might be promoted by the convocation of an international conference on security and a nuclear-free status of the Korean peninsula," Karasin said.

Ministry Says Chinese Nuclear Test 'Ideally Clean'

LD0707174194 Moscow ITAR-TASS in English 1709 GMT 7 Jul 94

[By ITAR-TASS correspondent Beronika Romanenkova]

[Text] Moscow July 7 TASS—The underground nuclear test carried out by China on June 10 this year, caused no harm to the environment, including the states of Central Asia, ITAR-TASS was told in the public relations office of the Russian Ministry of Atomic Energy today, thus, rejecting the conclusion made by the international geophysical expedition.

The scientists, the newspaper "VECHERNI BISHKEKE" (Evening Bishkek) wrote today, emphasised that after the explosion there was observed a rise in the radioactivity up to the level of 5 microroentgen/per hour in a number regions, and the nuclear debris was scattered by air from the east to the west.

If the figures obtained by the expedition are correct, then, according to the Ministry of Atomic Energy, China had conducted an "ideally clean explosion", because the level measured in Moscow was not even 5, but 12 microroentgen per hour. As a result of a test carried out in the atmosphere not only so-called radioactive noble gases could enter into the atmosphere, which do not cause such phenomenon as fog and smog related to radioactive particles.

Besides this, the specialists emphasised, China did not violate any juridical sanctions, since that country is formally not a signatory to the treaty on banning nuclear tests in three mediums.

U.S. Official: Russia-China Can Play Key Role in DPRK Issue

LD0707202394 Moscow ITAR-TASS in English 1949 GMT 7 Jul 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[Text] Geneva July 7 TASS—Russia and China can play "key roles" in settling the problem of nuclear security on the Korean peninsula, thus expressed his opinion a high-ranking U.S. official to ITAR-TASS, who arrived in Geneva for taking part in negotiations between the United States and North Korea, which are scheduled to open here on Friday.

The official said that he presumes that at present China has more closer contacts with North Korea than Russia.

But both countries have, according to the official, good relations with Pyongyang. Undoubtedly, we hope that both these states will put their influence on North Korea and encourage to display flexibility in discussions.

The main topics of U.S.-North Korean meeting in Geneva will be the normalization of bilatral relations and ensuring security on the Korean peninsula. From this round decisions are expected which might beat out the heat of tension with the so-called "nuclear problem of North Korea."

According to the American representative, who wished to remain unidentified, the matter concerns the achievement of "goals, which China and Russia say, they share with us—non-nuclear Korean peninsula and protecting the Non-Proliferation Treaty. With these goals, the official added, all countries agree with whom the U.S. had consultations. "During different periods due to one or the other reasons the role of these countries might change, but at the given moment we expect that Russia and China will encourage North Korea to use the chance which is being presented to it by the first session of the third round of talks in order to achieve progress."

From its side, the American delegation, the emissary from Washington, who spoke at the briefing held in the U.S. mission in Geneva, emphasised, is prepared to display flexibility and act constructively. The U.S. delegation hopes for a quick successful solution. At the same time, the official hinted that in case of failure, the U.N. Security Council will have to once more deal in the North Korean nuclear problem.

Lavrov Appointed New UN Envoy, Replaces Vorontsov

LD0707165394 Moscow Radio Rossii Network in Russian 1600 GMT 7 Jul 94

[Text] By a decree of Boris Yeltsin, Deputy Russian Foreign Minister Sergey Lavrov has been appointed permanent representative of the Russian Federation to the United Nations and the UN Security Council. This was reported by the press service of the Russian president. Lavrov will replace Yuliy Vorontsov in the post.

Moscow Urges Cessation of Rwanda Military Operations

LD0707131694 Moscow ITAR-TASS in English 1302 GMT 7 Jul 94

[By ITAR-TASS correspondent Boris Krivoshey]

[Text] Moscow July 7 TASS—"Russia is following the continuing large-scale human tragedy in Rwanda with deep concern," said director of the press and information department of the Russian Foreign Ministry, Grigory Karasin, at a briefing here today. "We support efforts, including those made by the U.N. Security Council, aimed at the cessation of the bloodshed in the country," Karasin said.

He reminded of the fact that the U.N. Security Council had discussed and taken into account France' intention to create a safe humanitarian zone in the southwest of Rwanda. "We proceed from the assumption that this step will enable to stabilise the situation in the country. In our opinion, this zone should not be a buffer between the warring sides in the conflict or be used for military purposes. We believe that at this stage, the chief immediate task is the cessation of military operations by all sides involved in the conflict, with subsequent concentration on political settlement," the Russian diplomat said.

Central Bank To Keep Lid on Foreign Capital

LD0707130194 Moscow INTERFAX in English 1017 GMT 7 Jul 94

[Text] The main restriction imposed on foreign banks' operations in Russia is the limit on their share in the charter capital of Russian banks which must not exceed 12 percent, the Central Bank's Vice Governor Dmitriy Tulin stated in St. Petersburg on Wednesday.

In addition, according to the agreement concluded between Russia and the European Union, a limit was also put on the number of a foreign bank's branches (not more than one) and on operations with the shares of Russian joint-stock companies, to last until the summer of 1999. Tulin believes that this will put Russian and foreign commercial banks on an equal footing. "We intend to regulate foreign banks' access to Russia," he said.

At the end of June, Central Bank Governor Viktor Gerashchenko stated that the Central Bank was cautious about the liberalization of foreign banks' operations in Russia. According to his sources, the share of foreign banks' capital in the aggregate capital of the Russian banks stands at 5 percent. A total of 2214 Russian banks with an aggregate capital of about 2 trillion rubles have been registered, he said.

President Yeltsin passed a decree on measures to improve the banking system on June 10, which also deals with foreign banks' operations in Russia. In accordance with it, seven Western European banks, including five banks of the European Union, were granted the right to serve Russian citizens. The American Citibank and Chase Manhattan Bank have not been able to benefit from the decree because the Russian parliament has not ratified an agreement on the encouragement and protection of capital.

A spokesman for the Central Bank said that all foreign banks intending to secure a Central Bank license, will have the right to work exclusively in the off-shore regime without the right to deal with Russian residents or perform ruble-based operations.

While considering applications, the Central Bank will take into account how favorable the climate is for Russian banks in the applicant bank's home country.

Political Issues

Yeltsin, Federation Council Chairman Meet in Kremlin

LD0707134794 Moscow ITAR-TASS World Service in Russian 1305 GMT 7 Jul 94

[By ITAR-TASS]

[Text] Moscow, 7 Jul—Boris Yeltsin, president of the Russian Federation, and Vladimir Shumeyko, chairman of the Federation Council, had a meeting in the Kremlin today. The presidential press service reported they continued exchanging views on the interaction between the president and the Federation Council. Boris Yeltsin has expressed his "warning" point of view about certain initiatives taken by the Federation Council, in particular, with regard to measures affecting the constitutional problems of a balance between the powers within the framework of the Federative Assembly. They also talked about passing the law "On the Constitutional Court".

Serious Crime Rate Increased 30 Percent in 6 Months

LD0707202194 Moscow INTERFAX in English 1603 GMT 7 Jul 94

[Text] Deputy Prosecutor General Oleg Gaydanov said that the number of serious crimes increased by nearly 30 percent in the first six months of 1994 compared to the same period last year. He told a conference of presidential representatives in Russia's central regions, held in Moscow under the chairmanship of Sergey Filatov, the president's chief of staff, that the growth was especially alarming in the Kaliningrad, Tula, Lipetsk and Smolensk Regions.

Gaydanov said that the number of premeditated murders, a total of 14,000 of which had been registered in the first six months of the year, and attempted murders increased at an especially high rate. Karelia, Mordovia, the Kostroma, Leningrad, Ryazan and Tula Regions and Moscow and the Moscow Region were the hardest hit.

Gaydanov noted that the percentage of solved crimes remained low. One reason was shortage of experienced detectives. In particular, the Moscow Prosecution Office had only two thirds of the investigator staff it requires and every other investigator was a senior undergraduate student of the university school of law. Gaydanov thought that if the top authorities failed to solve this problem, there would be nobody to investigate crimes next year.

Filatov told the conference that he shared the fears of some speakers who believed that honest workers could be quietly purged from law enforcement agencies and the prosecution office under the pretext of fighting corruption and organized crime. He emphasized that the mob was trying to infiltrate the power structures and for this reason those who honestly fight crime could not be let down.

Filatov dismissed allegations leveled by numerous presidential representatives against Sergey Kovalev, the human right inspector, who believed that certain items of the latest presidential anti- crime decree trespassed on human rights. Filatov said that the new democratic Russia needed people like Kovalev and that there would be no democracy unless a balance of various opinions was sought.

Filatov suggested that businessmen could be asked to set up extra-budgetary crime fighting funds. He believed that businessmen would be willing to invest in combatting crime because they were the first to suffer from it.

FCS Chief Stepashin Interviewed

PM0707161394 Moscow ROSSIYSKIYE VESTI in Russian 6 Jul 94 p 2

[Report on interview with Federal Counterintelligence Service Director Sergey Stepashin by ITAR-TASS Observer Tamara Zamyatina specially for ROSSIYSKIYE VESTI; place, date not given: "Sergey Stepashin: Who Said We Are Outside Politics? Federal Counterintelligence Service Director Is Convinced of His Colleagues' Commitment to Political Stability in the Country"]

[Text] "The Federal Counterintelligence Service [FCS] supported the Russian president's edict on combating banditry exclusively in the interests of investigation, and not merely to bolster its own status." This statement by the FCS director during our talk might merit applause were it not for Sergey Stepashin's now notorious remarks to the effect that he favors "violating a person's rights if that person is a criminal."

Asked by your ITAR-TASS observer to explain his remarks, which were delivered from the rostrum at the Russian Federation General Prosecutor's Office Collegium, Sergey Stepashin said that he was merely referring to "restrictions on the criminal's right to commit a crime."

The main deputies from the "Russia's Choice" faction have not forgiven the young general his remarks, and the liberal press has criticized the FCS chief for this passage from the era of Vladimir Kryuchkov. But the fact that Sergey Stepashin has basically retracted what he said nevertheless deserves respect, because "iron Felix" [Dzerzhinskiy]—had the FCS director wished to emulate him—would never have retreated on such a point of principle.

The current task of the press is to highlight instances where words and deeds coincide.

In arguing the case for his support of the edict on combating banditry, Sergey Stepashin cited as an example the "war" declared by criminal groups on LogoVAZ, noting that "if LogoVAZ had allowed the investigative organs to look at some of its commercial secrets, this would have enabled the true motives for the attacks on the directors of the joint-stock company to be investigated." Meanwhile the FCS director believes that the reason for the terrorist attacks on LogoVAZ premises and LogoVAZ staff is "a struggle outside the sphere of economic influence, in other words it is political."

Sergey Stepashin also described the president's edict on combating banditry as "a political act which should impel the State Duma to formulate laws to combat crime."

Asked who is stopping the law enforcement organs from carrying out their tasks more effectively, the FCS director cited the "enormous difference" between the wage scales of Ministry of Internal Affairs and FCS staff and those of their colleagues who have left to work for commercial organizations. "FBI and CIA staff generally do not resign from these structures: They are assured that their families will be well looked after financially. Staff of the Russian law enforcement organs are in quite a different situation," Sergey Stepashin stated.

Moreover, in his opinion, we are hampered in our efforts to combat crime effectively by the fact that many investigative cases "collapse" in the courts, and consequently the defendants receive just two or three years' punishment, and even this is a suspended sentence.

The legislative vacuum seemed to be the leitmotiv of our talk. According to the country's top counterintelligence agent, the corruption of Russian officials is causing him growing concern. The recent sale at auction of a large fish processing enterprise in Nakhodka for the laughable sum of just 300 million rubles tried the FCS director's patience to the limit. At the same time, Sergey Stepashin noted, the law enforcement organs have no legal power to arrest the parties to the deal. "We are therefore allowing Russia's property to be plundered," the FCS director said.

At the same time, Sergey Stepashin noted, he is encountering "full understanding from the Russian president regarding the need to initiate criminal proceedings against those suspected of corruption, notwithstanding their high-ranking official position. However, the judicial and prosecutor's system is slowing down the punishment of guilty people."

Sergey Stepashin believes that the way out of this vicious circle lies in the urgent adoption by the State Duma of legislation to combat corruption and crime. "We should not resort to kangaroo courts," my interlocutor said.

The problem of leaks of judicial information from the FCS is also causing considerable harm to society. Commenting on this matter, the department head admitted: "It would be naive to think that the FCS director can look into the souls of his 100,000 staff and prevent information leaks from our structures."

Leaks of judicial information occur from counterintelligence structures because even after the elimination of the KGB, according to Sergey Stepashin, "there are plenty of people working in his department who still have an old ideological outlook." But they cannot be dismissed for political reasons, "because to do this we would need a law making FCS staff responsible for divulging state secrets."

Until such a law exists, the FCS, according to its leader, is stepping up security procedures inside its structures designed to avert disclosure of operational data.

Regarding his meeting with FBI Director Louis Freeh 4 July, the FCS director told me that this had been the first personal contact between the counterintelligence chiefs of the two powers. One result of the visit was the opening of an FBI office in Moscow.

Sergey Stepashin also said that the director of the U.S. intelligence bureau is worried by the issue of the Russian mafia's access to nuclear technology. At the same time the FCS director denies this possibility. He intends to ask his U.S. colleague for documents or information substantiating the danger of nuclear terrorism in Russia, otherwise the FBI's interest in this problem could be interpreted by the Russian opposition as a desire to establish U.S. control over nuclear installations on Russian Federation territory.

Significantly, the U.S. side has not proposed that the Russian Federation FCS open an office in the United States. An agreement of this sort, according to Sergey Stepashin, has only been reached with Germany, France, the Czech Republic, and Poland.

Asked which spy cases the Russian FCS is currently investigating, my interlocutor replied that "in the main, these cases involve attempts by foreign agents to acquire Russian high technology and recruit specialist nuclear scientists."

According to him, in 1994 this sort of spying far exceeds similar cases recorded during the 1970's and 1980's. "Foreign special services have quite brazenly started to work against Russia," Sergey Stepashin said.

At the same time he is convinced of the high level of professionalism among his colleagues and of their commitment to political stability in the country, and, most significant of all, to strong government. "Who said the FCS is outside politics? We openly support the existing authorities personified by the Constitution and the president," the FCS director stated.

Economic Issues

1994 Federal Budget Law Published

PM0607131194 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 94 First Edition pp 1, 4-6

[Russian Federation Federal Law No. 9-FZ "On the Federal Budget for 1994," adopted by the State Duma 24 June 1994, approved by the Federation Council 24 June 1994, dated Moscow, the Kremlin, 1 July 1994, and signed by Russian Federation President B. Yeltsin, followed by "Distribution of Appropriations from the Federal Budget for 1994 Among Ministries, Departments, and Organizations of the Russian Federation"]

[Text]

Article 1

The federal budget for 1994 is to be approved for expenditure in the sum of 194,495.31 billion rubles [R], including

R144,601.31 billion in the current expenditure budget and R49,894.0 billion in the development budget, and for revenue in the sum of R124,477.0 billion.

The upper limit of the federal budget deficit for 1994 is to be set at the sum of R70,018.31 billion, or 36 percent of the sum of federal budget expenditure for 1994.

Credit from the Central Bank of the Russian Federation in the sum of R48,269.41 billion, credits from foreign states and international financial organizations (R16,339.9 billion), revenue from operations involving state securities (R3,829 billion), and the profits of the Central Bank of the Russian Federation for 1994 (R1,580 billion) are to be channeled into covering the federal budget deficit for 1994.

It is to be laid down that credit to cover the federal budget deficit for 1994 is provided by the Central Bank of the Russian Federation for a 10-year term with repayment in equal installments at an interest rate of 10 percent per annum, starting in 1998.

It is to be laid down that credit to cover the federal budget deficit, starting in 1995, is provided by the Central Bank of the Russian Federation on an interest-free basis.

Article 2

It is to be laid down that federal budget revenue for 1994 is formed out of:

- Value-added tax;
- Excise duties on oil, gas, coal, gasoline, motor vehicles, drinking spirit, vodka, liquor-vodka products, and excisable import commodities imported onto the territory of the Russian Federation;
- Tax on the profits (incomes) of enterprises and organizations;
- A special tax on enterprises, establishments, and organizations for the financial support of the most important sectors of the Russian Federation's national economy and to ensure the stable working of these sectors' enterprises;
- Export and import duties, funds from the centralized export of output, and other revenue from foreign economic activity;
- Levies (imposts) for the reproduction, conservation, and protection of forests;
- Levies for the reproduction of the minerals and raw materials base, with the exception of levies remaining at the disposal of mining enterprises for the autonomous funding of geological prospecting work;
- Payments for the use of natural resources;
- A tax on operations involving securities;
- Income from the privatization of state-owned installations;
- Dividends on shares in federal ownership; income from funds placed in deposit accounts and income from the commercial utilization of installations in federal ownership by enterprises, establishments, and organizations;
- Funds from land tax and rent for agricultural land transferred to the federal budget by components of the Russian Federation for the funding of centralized measures;
- State duty on cases examined by arbitration courts;
- Other taxes, imposts, and other payments liable to be included in the federal budget in accordance with Russian Federation legislation;
- Free assets of the Federal Compulsory Medical Insurance Fund for channeling into the funding of medical health care establishments.

Article 3

Partially altering Article 3 of the Russian Federation Law "On Road Funds in the Russian Federation," it is to be laid down that, starting in the second quarter of 1994, excise duties on the sale of passenger cars for citizens' private use are channeled into the federal budget.

Article 4

Partially altering Article 19 of the Russian Federation Law "On the Fundamentals of the Tax System in the Russian Federation" and Article 44 of the Russian Federation Law "On Mineral Wealth," it is to be laid down that levies for the reproduction of the minerals and raw materials base, with the exception of levies remaining at the disposal of mining enterprises for autonomous funding of geological prospecting work, are included in the federal budget and have a strictly targeted purpose.

Article 5

Partially altering Article 12 of the Russian Federation Law "On Medical Insurance for Citizens in the Russian Federation," free assets of the Federal Compulsory Medical Insurance Fund at the end of each quarter are to be channeled into the federal budget in 1994 in the sum of up to R200 billion to be used to fund medical health care establishments.

Article 6

The tax on the profits (incomes) of enterprises and organizations at the rate of 13 percent is to be included in the federal budget in 1994.

Article 7

It is to be laid down that the following are included in the budgets of components of the Russian Federation in 1994:

Tax on the profits of enterprises and organizations—at the rates laid down by organs of state power of components of the Russian Federation, but not above 22 percent; for banks, credit establishments, insurance organizations, exchanges, brokers' offices, and other enterprises—on the profits made on broking operations and deals—at rates not above 30 percent;

Tax on the incomes of enterprises and organizations from dividends and interest received on shares, bonds,

and other securities issued in the Russian Federation and belonging to enterprises and organizations—at the rate of 2 percent;

Tax on the incomes of video salons (from the showing of videos), from the hire of video and audio cassettes and recording on them—at the rate of 57 percent;

Tax on the incomes of casinos, other gambling houses (places), and other gambling business—at the rate of 77 percent.

The budgets of components of the Russian Federation receive 20 percent of the special tax on enterprises, establishments, and organizations for the financial support of the most important sectors of the Russian Federation's national economy and to ensure the stable working of these sectors' enterprises, with the exception of the aforesaid tax on imported commodities, as well as on precious metals and precious stones handed over to the Russian Federation State Fund of Precious Metals and Precious Stones and released from it.

Article 8.

The receipt of revenue from the main sources is to be taken into account in the federal budget for 1994 in the following sums:

	billions of rubles
Value added tax	39,557.0
Special tax on enterprises, establishments, and organizations for the financial support of the most important sectors of the Russian Federation's national economy and to ensure the stable working of these sectors' enterprises	7,124.9
Excise duties	15,732.1
Tax on the profits (incomes) of enterprises and organizations	22,040.0
Payments for the use of natural resources	3,320.0
Income from the privatization of state-owned installations, dividends on shares in federal ownership, income from funds placed in deposit accounts, and income from the commercial utilization of installations in federal ownership by enterprises, establisiments, and organizations	1,244.9
Receipt of funds from centralized exports of output	10,630.0
Export and import duties	8,590.0
Other income from foreign economic activity	10,757.2
Other taxes, imposts, duties, and other receipts	5,049.0
Funds from land tax and rent for agricultural land transferred to the federal budget by components of the Russian Federation for the funding of centralized measures	231.9
Free assets of the Federal Compulsory Medical Insurance Fund for channeling into the funding of health care	200.0

Article 9 The size of levies from excise duties and value-added tax transferred to the budgets of components of the Russian Federation in the first quarter of 1994 is to be approved in accordance with the norms laid down in Article 4 of the Russian Federation Law "On the Republic Budget of the Russian Federation for 1993."

Article 10 The following are to be transferred to the budgets of components of the Russian Federation in the second, third, and fourth quarters of 1994:

50 percent of the revenue from excise duties on drinking spirit, vodka, and liquor and vodka products, with the exception of excise duties on analogous import commodities imported onto the territory of the Russian Federation;

100 percent of the revenue from the remaining excise duties, with the exception of excise duties on oil, gas, coal, gasoline, motor vehicles, and excisable import commodities imported onto the territory of the Russian Federation;

25 percent of the revenue from value-added tax, with the exception of value added tax on import commodities imported onto the territory of the Russian Federation, as well as on precious metals and precious stones handed over to the Russian Federation State Fund of Precious Metals and Precious Stones and released from it.

Article 11

The Russian Federation Government, organs of state power of components of the Russian Federation, and organs of local self-government are to accelerate the implementation of the complete stocktaking (valuation, revaluation) of buildings, premises, and structures belonging to citizens with rights of ownership.

Prior to the completion of the stocktaking (valuation, revaluation) organs of the Russian Federation State Tax Service locally are to be allowed to use the increasing coefficients adopted by organs of local self-government when determining the value of taxable buildings, premises, and structures.

Article 12

It is to be laid down that the rates of land tax set by the RSFSR [Russian Soviet Federal Socialist Republic] Law "On Payment for Land" apply in 1994 to land in agricultural use with a coefficient of 20 and in all other instances with a coefficient of 50. The average share of the centralization of funds from land tax and rent for urban land for 1994 is to be set at 40 percent, of which 20 percent is to be included in the federal budget for channeling into the provision of funding for a comprehensive program to improve land fertility and to carry out a land survey and 20 percent is to be included in the budgets of components of the Russian Federation for measures being carried out in a centralized manner for land stocktaking and the social and engineering development of territories.

Article 13

Organs of state power of components of the Russian Federation are to be recommended to apply, as of 1 July 1994, the tariffs that applied 1 January 1994 for payment for water taken by industrial enterprises from water conservancy systems with a coefficient of five, and the fixed prices for uncut timber released in Russian Federation forests with a coefficient of not less than nine.

Article 14

In 1994 the Russian Federation Ministry of Defense, the Russian Federation Ministry of Internal Affairs, the Russian Federation Federal Counterintelligence Service, the Federal Border Service-Main Command of the Russian Federation Border Troops, the Federal Agency of Government Communications and Information, the Russian Federation Foreign Intelligence Service, the Russian Federation Main Guard Administration, the Russian Federation President's Security Service, and other military formations of the Russian Federation, as well as the Russian Federation Tax Police Department, are to be exempt from paying insurance contributions on the pay of servicemen and of enlisted and command personnel of internal affairs organs and tax police federal organs into the Russian Federation Social Insurance Fund, the Russian Federation State Population Employment Fund, and the compulsory medical insurance funds.

Article 15

In 1994 enterprises, establishments, and organizations in the system of waterways and canals of the Russian Federation Ministry of Transport and of state interfarm reclamation systems are to be exempt from paying for land.

Article 16

Appropriations from the 1994 federal budget are to be channeled into the following purposes:

	million rubles
I. State support for national economic sectors	45,315,920.4
a) base sectors of industry, total	7,872,612.2
including:	
coal sector	7,849,527.5
of which:	
Funded from resources of the Federal Fund for Financial Support for the Most Important National Economic Sectors	3,007,550.0
from the total amount of state support for the coal sector:	
—Funds for rescue packages for, or closure of unpromising enterprises	305,000.0
—Other base sectors of industry	23,084.7
b) Conversion of the defense industry	755,469.1
c) Other sectors of industry	423,278.2
d) Agriculture and food industry, total	12,030,001.7
including:—state support for producers of agricultural output	5,181,319.9
of which:	
Funded from resources of the Federal Fund for Financial Support for the Most Important National Economic Sectors to finance expenditure associated with the solution of targeted problems of agricultural production	4,117,350.0
Partial compensation of expenditure on the acquisition of agricultural equipment	24,100.0
Partial compensation of expenditure on mineral fertilizers	351,400.0
Financing measures on pedigree stockbreeding and elite seed growing	259,948.5
Partial compensation of insurance premiums for mandatory insurance	134,964.0
Compensation of other expenditure on agriculture	285,480.0
Partial compensation of costs of acquisition of fuel and energy resources by fishing industry enterprises	8,077.4
—Financing of budget-funded institutions	436,889.9
—Development of private farming (including subsidies for interest payments on bank loans)	249,551.9
—Subsidies for interest payments on bank loans granted to agricultural commodity producers (except private farmers) in 1992-1993	100,000.0
—Acquisition of imported output for agriculture and food production	462,240.0
—Repayable funds allocated for the creation of federal and regional food stocks	4,600,000.0
—Forming of leasing funds for the sale of equipment to commodity producers of agricultural output	1,000,000.0
e) Measures to improve land management and land utilization—total	385,677.4
including:	
—Funded from the centralized share of land tax	231,943.0
f) Transport and communications—total	931,017.8
including:	
—Transport	806,284.4
—Communications	124,733.4
g) Construction, architecture, and urbanization—total	19,538,678.3
including:	
—State investments	18,546,349.0
of which:	
In the agro-industrial complex	2,400,000.0
For the creation of the Fund for the Revival of Russia's Merchant Marine	300,000.0
Russian Space Agency	28,181.9
To repay deferred loan debts in capital construction	1,300,000.0
To carry out and complete work on especially valuable examples of the Russian Federation peoples' cultural heritage	130,000.0
of which:	

On the repair and restoration of cultural monuments handed over to religious associations	14,500.0
On the construction of the St. Petersburg subway	375,300.0
On the construction of the proton accelerating-accumulating complex at the High Energy Physics Institute in the Moscow Oblast city of Protvino	96,759.0
—Compensation for cost increases in cooperative housing construction begun prior to 1 January 1992	457,276.3
—Financing the elaboration of plans for the development and deployment of productive forces, and planning, surveying and feasibility study work	17,495.7
—Other expenditure	517,556.8
h) reproduction of the mineral raw materials base—total	2,131,100.0
including:	
—Funded from targeted revenues	1,996,350.0
proportion of the total amount of expenditure channeled into reducing the numerical strength of the work force and the closure of geological prospecting enterprises	122,000.0
i) Protection of the environment and natural resources, hydrometeorology, cartography, and geodesy—total	1,083,625.9
of which:	
—Nature reserves, sea inspections, and analytical monitoring inspections	26,681.0
—Water resources	28,367.6
—Forestry resources	694,389.0
—Hydrometeorology and environmental monitoring	202,383.8
—Topography, geodesy, and cartography work	129,909.4
—Other expenditure in the sphere of environmental protection	1,915.2
j) other expenditure in the national economic sphere—total	162,459.8
of which:	
Russian Federation Committee for the Press66,943.1 Russian Telegraph News Agency [ITAR] under the Russian Federation Government	19,640.7
Russian Federation Ministry of Social Welfare of the Population	4,330.0
Russian Federation State Committee for Statistics	31,870.4
Russian Academy of Sciences	11,905.8
Siberian Department, Russian Academy of Sciences	16,684.7
Ural Department, Russian Academy of Sciences	576.6
Far Eastern Department, Russian Academy of Sciences	186.5
II. Foreign economic activity—total	17,241,410.0
including:	
—investment program funded from incoming foreign loans	9,782,600.0
of which:	
agro-industrial complex	1,500,000.0
health care system	2,400,000.0
—expenditure on nontrade operations	3,607,500.0
—purchase of commodities for centralized exports	1,935,500.0
—granting of state loans to governments of foreign states	1,368,750.0
III. Social and cultural measures—total	13,804,326.0
including:	
—national education, cadre training	7,306,860.0
of which:	
higher educational establishments	3,959,764.8
of which:	
stepping up support for leading educational establishments under the Russian Federation State Committee for Higher Education	200,000.0
vocational and technical schools	1,460,069.7
secondary specialized educational establishments	889,548.1
further training institutes	264,174.1
methodological work	237,466.5
measures to conduct the summer health improvement campaign	50,000.0
other national education measures	445,836.8
—culture and the arts	1,032,520.1
of which:	
museums and exhibitions	275,776.4
fund for the development of culture and the arts	211,473.1
theaters, philharmonic orchestras, music ensembles	149,515.3
other cultural and artistic measures	395,755.3
—mass media	1,322,909.4
including:	
television and radio broadcasting	1,199,991.7
of which:	
"Ostankino" Russian State Television and Radio Broadcasting Company	508,573.3
All-Russia State Television and Radio Broadcasting Company	377,189.1
regional state television and radio broadcasting enterprises and organizations	314,229.3
periodical press and publishing	122,917.7
—health care	3,871,493.9
including:	
medical institutions	1,924,412.0
of which:	
funded from uncommitted resources of the Federal Mandatory Medical Insurance Fund	200,000.0
centers of state sanitary and epidemiological supervision and anti-epidemic institutions and measures	472,928.1
other health care measures, including acquisition of expensive Russian-made and imported equipment and medicines	1,474,153.8
of which:	
federal program "Development and Production of Technical Means of Rehabilitation and Supply Thereof to Invalids"	15,000.0

—physical culture	43,175.2
—measures in the youth policy sphere	21,074.4
—social security196,034.7 IV. Basic research and promotion of scientific and technical progress—total	5,047,550.5
including:	
Russian Academy of Sciences	427,109.0
Siberian Department, Russian Academy of Sciences	148,349.5
Ural Department, Russian Academy of Sciences	46,745.7
Far Eastern Department, Russian Academy of Sciences	61,812.1
Russian Academy of Agricultural Sciences	120,000.0
Russian Academy of Arts	4,714.8
Russian State Archives Service	6,438.7
for the development of agricultural science	261,000.0
for the development of competitive financing of basic scientific research and the development of the information infrastructure of science	540,000.0
V. National defense—total	40,626,000.0
including:	
maintenance of the Armed Forces	22,105,375.0
procurement of armaments and military equipment	8,442,000.0
research and development	2,433,000.0
capital construction	4,778,250.0
servicemen's pensions	1,993,750.0
expenditure of the Russian Federation Ministry of Atomic Energy873,625.0 VI. Elimination of armaments, including fulfillment of international commitments—total	837,180.6
including:	
nuclear arms	208,051.0
chemical weapons	115,965.6
arms containing nuclear power units	329,897.5
conventional weapons	183,266.5
VII. Law enforcement activity and security organs—total	12,734,231.0
of which:	
Federal Border Service—Russian Federation	
Border Guard Troops Main Command	1,799,983.0
Russian Federation Ministry of Internal Affairs	7,870,717.0
VIII. Federal judicial system and organs of the Russian Federation Prosecutor's Office—total	1,182,285.2
including:	
Russian Federation Supreme Court	11,852.5
Russian Federation Constitutional Court	11,168.3
Russian Federation Supreme Court of Arbitration	72,404.1
organs of the Russian Federation Prosecutor's Office	436,137.6
republic supreme courts, kray, oblast, okrug, and city courts, and people's courts	650,722.7
IX. State administration—total	3,369,338.5
including:	
Russian Federation President's Administration of Affairs	213,700.0
State Duma of the Russian Federation Federal Assembly	179,457.9
Federation Council of the Russian Federation Federal Assembly	76,115.8
Russian Federation ministries and departments	2,900,064.8
of which:	
territorial organs of state administration	1,884,225.3
X. Contingency funds—total	462,000.0
including:	
Russian Federation president's contingency fund	49,800.0
Russian Federation Government's contingency fund —total	412,200.0
of which:	
Russian Federation Government's contingency fund for eliminating the consequences of emergency situations	360,000.0
XI. Replenishment of state stocks and reserves	5,900,000.0
XII. Prevention and elimination of the consequences of natural disasters and emergency situations—total	1,818,851.7
including:	
state programs for eliminating the consequences of accidents and other disasters	973,780.5
prevention of emergency situations and elimination of their consequences	500,726.2
mobilization preparation of the national economy	344,345.0
of which:	
maintenance of mobilization capacities	268,589.0
XIII. Repayment and servicing of the state's domestic and external debt—total	15,312,175.0
including:	
—servicing:	
domestic debt	1,935,165.0
external debt	4,661,600.0
—repayment:	
domestic debt (taking into account the deferment until 1995 of repayment of loans amounting to 1,046,700.0 issued earlier to the Russian Federation Government by the Central Bank of the Russian Federation)	4,375,410.0
external debt	4,340,000.0
XIV. Financial assistance to organs of state power of Russian Federation components and to organs of local self-government—total	20,500,000.0
including:	
—Federal Fund for Financial support for Russian Federation Components	11,868,600.0
—subsidy to the city of Moscow for performing the functions of Russian Federation capital	2,774,700.0

—subsidies to the budgets of closed administrative-territorial formations housing installations of the Russian Federation Ministry of Defense and the Russian Federation Ministry of Atomic Energy	583,200.0
—financing expenditure on the maintenance of social sphere and housing stock facilities being transferred to the jurisdiction of organs of local self-government in 1994, as well as federal programs for regional development	5,275,500.0
of which:	
financing the construction of water conservation installations in line with the Russian Federation's commitments regarding protection of the Baltic Sea	40,000.0
XV. Financial support for northern territories—total	6,486,970.0
including:	
—fund of state support for the carriage of produce (commodities) to regions of the Far North and equivalent localities	5,495,700.0
—reimbursement of the difference in interest payments on loans granted for the purpose of carrying produce (commodities) to regions of the Far North and equivalent localities under agreements concluded prior to 25 September 1993	971,270.0
XVI. Other state expenditure—total	3,877,075.0
of which:	
—financing federal migration and resettlement programs	591,650.1
—compensation payments to rehabilitated victims of political repressions	744,299.3
—Russian Federation's share of contributions to the maintenance of interstate structures and the implementation of joint programs	106,184.8
—payment of benefits to servicemen's dependents and children	150,221.0
—expenditure on the holding of elections to legislative (representative) organs of Russian Federation components	124,200.0
—state credits to CIS member countries in line with intergovernmental agreements	533,000.0
—financing expenditure on maintaining a uniform centralized system of Federal Treasury [federalnoye kaznacheystvo] organs during the first half of 1994	184,100.0
—program for the Republic of Komi's economic development	270,000.0
—reimbursement to the Russian Federation Savings Bank of the difference in interest payments on preferential loans to the population	143,300.0
—financing other organizations and measures	605,930.1
—funds put in reserve until final calculation of expenditure in connection with the predictive approach to the definition of the price index and the suspension of wages indexation during the second quarter of 1994	24,190.6

Article 17

To channel in 1994, within the limits of expenditure set by Article 16 of this federal law, an appropriation of R178,179.6 million for the financing of targeted programs included in the "Russia's Children" federal program, including: R54,696.0 million for "Disabled Children," R443.2 million for "Orphan Children," R2,425.0 million for "Children of the North," R82,317.4 million for "Children of Chernobyl," R26,644.4 million for "Family Planning," and R11,653.6 million for "Development of Child Nutrition Industry in the RSFSR in 1991-1995."

Article 18

The distribution of appropriations from the 1994 federal budget as set out in Article 16 of this federal law, among ministries, departments, and organizations in the amounts listed in the appendix is to be approved.

It is furthermore prescribed that the total amount of appropriations from the 1994 federal budget is the highest permissible level of financing.

Article 19

It is prescribed that the 1994 financing of federal targeted programs approved according to established procedure will be funded from, and to the extent of, appropriations from the federal budget approved by Articles 16, 17, and 18 of this federal law

Article 20

It is prescribed that decisions to increase the appropriations for individual recipients of budget funding can be adopted by the State Duma only subject to amendment of the 1994 federal budget indicators and to the existence of sources of finance which would not result in any increase of the budget deficit.

Article 21

The following subsidies allocated during the first quarter of 1994 from the federal budget to the budgets of Russian Federation components to equalize the level of social protection for the population (including sums for allocation to the budgets of closed administrative-territorial formations hosting installations of the Russian Federation Ministry of Defense) are to be approved:

	Total Subsidy	Allocation to the Budget of Aforementioned Closed Administrative-Territorial Formations
(in Millions of Rubles)		
	A	B
Northern Region		
Arkhangelsk Oblast	18,214.6	133.5
including:		
Mirnyy (city)		133.5
Nenetsk Autonomous Okrug	7,531.9	
Vologda Oblast	8,088.4	
Murmansk Oblast	5,100.2	2,866.6
including:		
Murmansk-60 (city)		330.8
Murmansk-130 (city)		494.5
Murmansk-140 (city)		886.5
Murmansk-150 (city)		1,154.8
Republic of Karelia	4,744.9	
Republic of Komi	15,765.0	
Northwestern Region		
City of St. Petersburg	19,900.0	
Leningrad Oblast	13,612.9	
Novgorod Oblast	25,961.7	
Pskov Oblast	24,799.4	
Central Region		
Bryansk Oblast	24,126.6	
Ivanovo Oblast	13,899.5	
Tver Oblast	23,200.7	162.8
including:		
Bologoye-4 (city)	162.8	
Kaluga Oblast	11,430.6	
Kostroma Oblast	13,128.1	
Moscow Oblast	57,939.8	432.7
including:		
Golytsino-2 (city)		227.2
Novo-Petrovsk-2 (city)		49.9
Naro-Fominsk (city)		52.8
Stupino-7 (city)		102.8
Orel Oblast	35,340.1	
Smolensk Oblast	4,279.8	
Volga-Vyatka Region		
Kirov Oblast	13,422.2	174.2
including:		
Yurya-2 (city)		174.2
Republic of Mariy-El	70,114.0	
Republic of Mordovia	40,969.1	
Chuvash Republic—Chavash-respubliki	19,786.7	
Central Chernozem Region		
Belgorod Oblast	849.9	
Voronezh Oblast	2,814.5	
Kursk Oblast	2,455.4	
Lipetsk Oblast	77.3	
Tambov Oblast	19,940.6	
Volga Region		
Astrakhan Oblast	17,115.8	549.7
including:		
Kapustin Yar (city)		549.7
Volgograd Oblast		123.9
Samara Oblast	77,862.0	
Penza Oblast		10,502.8
Saratov Oblast	3,610.7	197.1
including:		
Tatishchevo-5 (city)		197.1
Ulyanovsk Oblast	2,544.6	
Republic of Kalmykia—Khalmg Tangch	38,487.0	
North Caucasus Region		
Krasnodar Kray	54,322.4	
Republic of Adygey (Adygeya)	15,370.9	
Stavropol Kray	71,778.2	
Karachayevo-Cherkess Republic	22,969.6	
Rostov Oblast	12,222.2	
Republic of Dagestan	146,417.5	
Kabardino-Balkar Republic	49,299.5	
Republic of North Ossetia	38,986.6	
Ingush Republic	24,949.1	
Chechen Republic	30,206.5	
Urals Region		
Kurgan Oblast	12,011.0	
Orenburg Oblast	4,222.4	11.2
including:		
Dombarovskiy-3 (city)		11.2
Perm Oblast	13,431.0	1,908.0
including:		
Perm-76 (city)		1,908.0
Komi-Permyak Autonomous Okrug	17,900.2	
Sverdlovsk Oblast	580.4	462.2
including:		
Kosulino-1 (settlement)		115.7
Nizhniy Tagil-39 (city)		346.5

Chelyabinsk Oblast	6,357.3	321.7
including:		
Kartaly-6 (city)		321.7
Udmurt Republic	9,370.0	

West Siberian Region		
Altay Kray	81,544.6	
Republic of Altay	26,921.1	
Kemerovo Oblast	394,109.3	
Novosibirsk Oblast	11,565.1	
Omsk Oblast	147,054.0	
Tomsk Oblast	25,350.8	
Tyumen Oblast	26,370.8	
East Siberian Region		
Krasnoyarsk Kray	302.4	207.4
including:		
Uzhur-4 (city)		59.2
Krasnoyarsk-66		148.2
Republic of Khakasia	7,589.4	
Taymyr (Dolgano-Nenets) Autonomous Okrug	13,196.8	
Evenki Autonomous Okrug	12,409.5	
Irkutsk Oblast	27,597.0	
Ust-Ordynskiy Buryat Autonomous Okrug	23,645.0	
Chita Oblast	43,176.0	783.0
including:		
Olovyannaya-4 (settlement)		196.8
Chita-46 (city)		586.2
Aga Buryat Autonomous Okrug	13,809.5	
Republic of Buryatia	65,072.4	
Republic of Tyva	43,745.0	
Far East Region		
Maritime Kray	52,361.7	2,703.0
including:		
Shkotovo-17 (city)		2,703.0
Khabarovsk Kray	15,175.4	
Jewish Autonomous Oblast	18,767.2	
Amur Oblast	36,044.3	128.0
including:		
Svobodnyy-18 (settlement)		128.0
Kamchatka Oblast	37,797.9	3,417.0
including:		
Petropavlovsk-Kamchatskiy-35		520.0
Petropavlovsk-Kamchatskiy-50		2,897.0
Koryak Autonomous Okrug	84,187.8	
Magadan Oblast	10,298.6	
Chukotka Autonomous Okrug	46,237.8	
Sakhalin Oblast	50,067.7	
Kaliningrad Oblast	14,044.7	

Article 22

A federal fund of financial support for the components of the federation is to be formed within the federal budget, with provision in this regard for a unified approach to setting the scales of financial aid to the regions and establishing of a direct dependence between the volumes of the fund's resources and federal budget revenue.

It is to be established that the federal fund of financial support for the components of the Russian Federation shall be formed at 22 percent of value-added tax using that proportion of it paid into the federal budget (excluding value-added tax on imported goods, precious metals and precious stones surrendered to and released from the Russian Federation State Precious Metals and Precious Stones Fund).

The Russian Federation federal fund for the financial support of the components of the Federation is to be used to provide aid to those components whose average per capita budget income for the previous year is less than the average for the Russian Federation (components of the Russian Federation in need of support) as well as those components of the Russian Federation whose own incomes and additional resources received from the federal budget are insufficient to finance current expenditure (components of the Russian Federation in special need of support).

The procedure for the formation and use of the Russian Federation federal fund for the financial support of the components of the Russian Federation shall be set by the Government of the Russian Federation.

Article 23

The share of each component of the Russian Federation in the federal fund for the financial support of the components of the Russian Federation for the second-fourth quarters of 1994 is to be approved on the following scales (in percentages):

	A: Those in Need of Support	B: Those in Special Need of Support
Northern Region		
Arkhangelsk Oblast	1.6735	
Nenetsk Autonomous Okrug	0.0495	0.6725
Republic of Karelia	0.3824	
North West Region		
Leningrad Oblast	1.2696	
Novgorod Oblast	0.7786	
Pskov Oblast	1.7132	

Central Region		
Bryansk Oblast	2.8644	
Vladimir Oblast	1.1693	
Ivanovo Oblast	2.0465	
Tver Oblast	1.9855	
Kaluga Oblast	1.7433	
Kostroma Oblast	0.8084	
Orel Oblast	1.0401	
Smolensk Oblast	1.0012	
Tula Oblast	1.8674	
Volga-Vyatka Region		
Kirov Oblast	2.1543	
Republic of Mariy-El	1.6172	2.7529
Republic of Mordovia	1.9208	
Chuvash Republic—Chavash respubliki	2.3655	
Central Chernozem Region		
Voronezh Oblast	2.8077	
Kursk Oblast	0.6068	
Tambov Oblast	1.8476	
Volga Region		
Astrakhan Oblast	1.5176	
Volgograd Oblast	1.3893	
Penza Oblast	2.5341	
Saratov Oblast	2.9119	
Republic of Kalmykia—Khalmg Tangch	0.8077	2.3077
Republic of Tatarstan (Tatarstan)	1.4300	
North Caucasus Region		
Krasnodar Kray	2.4403	
Republic of Adygey (Adygeya)	0.8216	
Stavropol Kray	3.5618	
Karachay-Cherkess Republic	0.9553	
Rostov Oblast	4.2150	
Republic of Dagestan	5.3056	0.6283
Kabardino-Balkar Republic	1.7685	
Republic of North Ossetia	1.3772	
Ingush Republic	0.9699	
Chechen Republic	2.5425	
Urals region		
Kurgan Oblast	1.5942	
Orenburg Oblast	1.4056	
Komi-Permyak Autonomous Okrug	0.4535	0.6713
Udmurt Republic	1.6297	
West Siberian Region		
Altay Kray	7.8937	
Republic of Altay	0.9657	1.0925
Kemerovo Oblast	46.9678	
Novosibirsk Oblast	6.3091	
Omsk Oblast	11.4911	7.5394
Tomsk Oblast	0.0604	1.7698
Tyumen Oblast	0.2588	
East Siberian Region		
Republic of Khakasia	0.6222	
Taymyr (Dolgano-Nenets) Autonomous Okrug	0.0206	1.5704
Evenki Autonomous Okrug	0.0590	1.1448
Ust-Orda Buryat Autonomous Okrug	0.5058	0.9087
Chita Oblast	2.5885	
Aga Buryat Autonomous Okrug	0.3085	0.1696
Republic of Buryatia	2.0264	3.3753
Republic of Tyva	1.0461	1.9937
Far East Region		
Khabarovsk Kray	1.3607	
Jewish Autonomous Oblast	0.5746	
Amur Oblast	1.0873	
Kamchatka Oblast		5.7602
Koryak Autonomous Okrug	0.0517	6.8256
Magadan Oblast	1.6198	
Chukotka Autonomous Okrug		5.2535
Sakhalin Oblast	5.0099	
Kaliningrad Oblast	1.0450	0.3467
TOTAL	100.0000	100.0000

Article 24

Subsidies in the following amounts (in millions of rubles) are to be allocated in 1994 from the federal budget to the budgets of the closed administrative territorial formations which contain within their borders installations of the Russian Federation Ministry of Atomic Energy for financing expenditure not covered by their own financial resources:

Nizhniy Novgorod Oblast	
Arzamas-16 (city)	8,221.6
Penza Oblast	
Penza-19 (city)	62,023.2
Chelyabinsk Oblast	
Zlatoust-36 (city)	28,593.1
Chelyabinsk-70 (city)	7,672.4
Chelyabinsk-65 (city)	3,833.8
Sverdlovsk Oblast	
Sverdlovsk-45 (city)	54,162.7
Krasnoyarsk Kray	
Krasnoyarsk-26 (city)	70,780.5
Krasnoyarsk-45 (city)	53,748.8

Tomsk Oblast	
Tomsk-7 (city)	44,677.2

Article 25

Subsidies in the following amounts (in millions of rubles) are to be allocated in the second-fourth quarters of 1994 from the federal budget to the budgets of the closed administrative territorial formations within whose borders installations of the Russian Federation Defense Ministry are situated for the financing of expenditure not covered by their own financial resources:

Northern Region	
Arkhangelsk Oblast	
Mirnyy (city)	2,478.2
Murmansk Oblast	
Murmansk-60 (city)	40,739.7
Murmansk-130 (city)	10,101.0
Murmansk-140 (city)	17,500.2
Murmansk-150 (city)	6,007.4
Central Region	
Tver Oblast	
Bologoye-4 (city)	3,711.0
Moscow Oblast	
Golitsyno-2 (city)	2,927.2
Novo-Petrovsk-2 (city)	1,464.7
Naro-Fominsk (city)	1,697.0
Stupino-7 (city)	490.9
Volga-Vyatka Region	
Kirov Oblast	
Yurya-2 (city)	1,022.2
Volga Region	
Astrakhan Oblast	
Kapustin Yar (city)	12,821.0
Saratov Oblast	
Tatishchevo-5 (city)	1,303.8
Urals region	
Orenburg Oblast	
Dombarovskiy-3 (city)	110.3
Perm Oblast	
Perm-76 (city)	12,930.4
Sverdlovsk Oblast	
Kosulino-1 (settlement)	1,046.5
Nizhniy Tagil-39 (city)	2,239.8
Chelyabinsk Oblast	
Kartaly-6 (city)	4,289.2
East Siberian Region	
Krasnoyarsk Kray	
Uzhur-4 (city)	2,317.0
Krasnoyarsk-66 (city)	2,305.2
Chita Oblast	
Olovyannaya-4 (settlement)	590.7
Chita-46 (city)	2,839.7
Far East Region	
Maritime Kray	
Shkotovo-17 (city)	77,386.0
Amur Oblast	
Svobodnyy-18 (settlement)	628.8
Kamchatka Oblast	
Petropavlovsk-Kamchatskiy-35 (city)	2,194.7
Petropavlovsk-Kamchatskiy-50 (city)	38,014.0

Article 26

A fund of state support for the shipment of oil, oil products, fuel, meat products, dairy products, sugar, potatoes, and fruit and vegetables to the regions of the Far North and equivalent localities with limited navigation seasons is to be formed within the federal budget.

The state support fund for the shipment of output (commodities) to the regions of the Far North and equivalent localities is to be formed using federal budget resources and interest payments for the use of the resources of that fund on a returnable basis as well as nonbudget sources.

Support for the shipment of output (commodities) shall be provided by granting repayable loans to regions and also to enterprises, establishments, and organizations engaged in the purchase and shipment of the aforementioned produce using the procedure of centralized supplies.

The procedure for the formation and use of the fund of state support for the shipment of produce (commodities) to the regions of the Far North and equivalent localities is to be established by the Government of the Russian Federation.

Decisions on the creation of analogous regional funds are to be made by the executive organs of the components of the Russian Federation.

Prior to 15 July 1994 appropriations are to be transferred from the federal budget for the formation of the funds of state support for the shipment of produce [commodities] to the regions of the Far North and equivalent localities at a level of 75 percent of the total expenditure of the aforementioned fund envisaged for 1994.

Article 27

It is to be established that in 1994 the financing of expenditure for payment of state pensions and benefits,

which in accordance with Russian Federation legislation is to be made out of federal budget resources, shall be implemented out of the resources of the Russian Federation Pension Fund on a repayable basis.

The Russian Federation Pension Fund and the Russian Federation Finance Ministry are to conclude a contract specifying the procedure, timetable, and terms for the repayment of the resources borrowed.

Article 28

The Russian Federation Government, the Russian Federation Pension Fund, the Russian Federation Social Insurance Fund, the Russian Federation State Fund for the Employment of the Population, and the Russian Federation Federal Fund for Compulsory Medical Insurance, and the Russian Federation Federal Road Fund are by 15 July 1994 to submit for examination by the State Duma draft budgets for state and sector targeted nonbudget funds for 1994 and reports on their implementation in 1993.

The Russian Federation Government is by 1 September 1994 to submit to the State Duma a draft federal law on consolidating state and sector targeted nonbudget funds in the federal budget. Pending the adoption of the aforementioned law, the procedure for forming and utilizing the resources of state and sector targeted nonbudget funds operative until 1 July is retained.

Article 29

It is to be established that the resources of the federal budget fund for the financial support of the most important sectors of the national economy in 1994 shall be allocated in the following proportions: 58 percent for the financial support of agriculture and 42 percent for the financial support of the coal industry.

Article 30

It is to be established that, as of the 1994-95 academic year, the system of vocational and technical education shall be financed from the budgets of the components of the Russian Federation. It is to be established in this regard that the size of the financial aid to the organs of executive power of the components of the Russian Federation shall be increased within the limits of the resources envisaged in the federal budget for 1994 for the upkeep of vocational and technical education establishments.

Article 31

Expenditure on the upkeep of the uniform system of organs of the Federal Treasury is to be financed out of the profit of the Russian Federation Central Bank in the sum of R413.3531 billion. The aforementioned resources are to be transferred monthly in equal installments from July to December 1994 inclusive.

Article 32

The Russian Federation Government is to set up a special budget fund for the support of the Russian Federation Armed Forces out of the income derived from the privatization of state property in excess of the sum envisaged in the federal budget for 1994. The fund's resources are to be channeled into financing measures relating to the social protection of servicemen, particularly the construction of accommodations and the conversion of defense industry enterprises. If need be, to augment the funds's resources a targeted state loan and treasury bills are to be issued and other measures ensuring a steady flow of resources into the fund implemented.

Article 33

It is to be proposed to the Russian Federation Government that: Measures be taken to restrict actual expenditure on defense in 1994 to the maximum possible extent by, among other things, bringing troops up to strength by means of enlisted ranks and NCO personnel on contract and reserve officers and reducing the number of higher military educational establishments on the basis of the real need for military cadres. To bring military units up to full strength in 1994-95 and ensure their combat training. To withdraw below-strength military formations into the reserve or disband them. To provide quarterly financing of defense expenditure on a planned credit basis in the second half of 1994; to provide as of July 1994 for the mandatory examination of the possibility of organizing the manufacture of equipment in the country's defense industry enterprises when questions relating to the purchase of all kinds of equipment with foreign credit resources are being decided and to carry out such a purchase only when no such opportunity exists.

It is to be established that the authorized strength of the Russian Federation Armed Forces as of 1 January 1994 was: servicemen—2.200 million; civilian personnel—600,000; and as of 1 January 1995 will be: servicemen—1.9174 million; civilian personnel—600,000.

Article 34

Note is to be taken of the Forecast for the Economic Development of the Russian Federation for 1994 presented by the Russian Federation Government.

The following are to be regarded as very important criteria for the evaluation of the Russian Federation Government's economic activity: the achievement of improvements in the pattern of production; the pursuit of a vigorous policy to stabilize the economy with a view to slowing down the rate of economic decline in 1994 as compared with 1993, aiming for a decline of no more than 8-10 percent in terms of GDP and no more than 12-15 percent in terms of reduction of industrial output, and monthly inflation rate down to 7-9 percent by the end of the year.

Article 35

A ceiling of R88.4 trillion is to be established for the state domestic debt for 1994.

Article 36

The following list of protected articles of federal budget current expenditure for 1994 subject to financing in full is to be approved:

- Wages (pay), including contributions to social insurance and deductions paid into the Russian Federation State Fund for the Employment of the Population;
- The Federal Fund for the Financial Support of Components of the Russian Federation;
- The Children of Russia Federal Program;
- The ceiling for appropriations for protected federal budget items for 1994 is to set at 20 percent of approved expenditure.

Article 37

The operation of Paragraph 3 of Article 30 of the RSFSR Law "On Property in the RSFSR" is to be suspended for 1994.

Article 38

It is to be established that if during the implementation of the budget an organ of state power makes decisions within its own competence that lead to an increase in expenditure or to a reduction in the revenue of budgets at other levels, the missing resources are to be made up by the organ of state power which made the decision out of the resources of the relevant budget.

Article 39

This federal law comes into force as of the day of its official publication.

[Signed] Boris Yeltsin, president of the Russian Federation
The Kremlin,
Moscow,
1 July 1994
Federal Law No. 9

Distribution of Appropriations from the Federal Budget for 1994 Among Ministries, Departments, and Organizations of the Russian Federation

	Millions of Rubles
Administration of Affairs of the Russian Federation President	213,700.0
State Duma of the Russian Federation Federal Assembly	179,457.9
Federation Council of the Russian Federation Federal Assembly	76,115.8
Russian Federation Superior Arbitration Court	72,734.6
Russian Federation Constitutional Court	11,168.3
Russian Federation Supreme Court	11,852.5
Russian Federation Ministry of Justice	671,577.0
Russian Federation Prosecutor's Office organs	438,434.1
Russian Federation Ministry of Fuel and Energy	7,904,218.4
Russian Federation Ministry of Economics	17,268,072.6
Russian Federation Ministry of Science and Technical Policy	4,236,186.1
Russian Federation Ministry of Agriculture and Foodstuffs	6,330,688.4
Russian Federation Ministry of Health and Medical Industry	2,728,973.1
Russian Federation Ministry of Finance	30,637,588.6
Russian Federation Ministry of Education	2,391,055.7
Russian Federation Ministry of Environment and Natural Resources	98,622.8
Russian Federation Ministry of Transport	1,085,632.0
Russian Federation Ministry of Foreign Economic Relations	22,170.5
Russian Federation Ministry of Culture	946,870.0
Russian Federation Ministry of Communications	159,387.8
Russian Federation Ministry for Cooperation with CIS Member States	5,506.3
Russian Federation Ministry of Social Protection of the Population	317,290.7
Russian Federation Ministry for Nationalities Affairs and Regional Policy	7,288.7
Russian Federation Ministry of Foreign Affairs	69,839.1
Russian Federation Ministry of Railways	979,597.0
Russian Federation Ministry of Labor	9,754.4
Russian Federation Ministry for Civil Defense, Emergencies, and Natural Disasters	507,833.8
Russian Federation State Committee on Issues of Construction and Architecture	73,341.6
Russian Federation State Committee on Antimonopoly Policy and Support of the New Economic Structures	19,389.9
Russian Federation State Committee on Higher Education	2,674,433.1
Russian Federation Committee on Trade	47,406.8
Russian Federation Committee on State Reserves	1,541.2
Russian Federation State Committee on Industrial Policy	9,076.6
Russian Federation State Committee of Sanitary-Epidemiological Supervision	542,476.2
Russian Federation Committee on Land Resources and Land Development	466,647.8
Russian Federation State Committee on Defense Sectors of Industry	150,329.4
Russian Federation State Committee on Statistics	296,762.5
Russian Federation Committee on Youth Affairs, Physical Culture, and Tourism	113,725.9

Russian Federation Committee on Geology and the Use of Mineral Wealth	2,125,397.9
Russian Federation Committee on Metallurgy	22,983.1
Russian Federation State Customs Committee	3,935.8
Russian Federation Committee on Cinematography	97,496.9
Russian Federation Committee on Fishing	126,206.7
Russian Federation Committee on Machine Building	20,486.7
Russian Federation State Tax Service	1,363,469.5
Russian Federation State Committee on the Management of State Property	4,331.6
Russian Federation Committee on the Press	184,441.6
Russian Federal Geodesy and Cartography Service	134,998.2
Russian Federation Committee on Patents and Trademarks	5,590.3
Russian Federation Committee on the Chemical and Petrochemical Industry	17,062.4
Russian Federation Committee on Water Management	29,701.1
Russian Federation Committee on Standardization, Metrology, and Certification	6,088.7
Russian Federal Service for Currency and Export Control	2,956.6
Russian Federal Migration Service	2,978.7
Russian Federal Service for Hydrometeorology and Environmental Monitoring	209,888.3
Russian Federal Mine and Industrial Supervision	47,590.7
Russian Space Agency	338,894.2
Russian Federation Committee on Precious Metals and Precious Stones	11,604.2
Russian Federal Employment Service	305.7
Russian Federal Forestry Service	707,597.1
Russian Federal Supervision of Nuclear and Radiation Safety	12,371.8
Russian Federal Service for Television and Radio Broadcasting	1,199,991.7
Russian Federal Service for Supervision of Insurance Activity	2,093.7
Russian State Archives Service	7,698.6
Russian Federation Supreme Certification Committee	758.8
Federal Administration of Railroad Troops under the Russian Federation Ministry of Railways	281,899.0
"Transstroy" Corporation Joint-Stock Company	87.1
"Roslesprom" Russian State Lumber Company	245.7
"Roskhlebprodukt" Federal Contract Corporation	11,379.8
"Russian Circus" State Company	30,971.4
"Montazhspetsstroy" Corporation	1,551.0

Federal Postal Communications Administration under the Russian Federation Ministry of Communications	611.2
"Rosbytsoyuz" Russian Union of Enterprises and Organizations for Consumer Services to the Population	26,419.3
"Rossoyuzmestprom" Russian Union of Local Industry Enterprises and organizations	3,090.9
State Inspectorate for the Protection of Freedom of the Press and the Mass Media	1,747.5
Russian state maritime history and culture center	2,566.5
Academy of the National Economy	2,354.9
Russian Academy of Agricultural Sciences	124,516.2
Federal Road Building Directorate under the Russian Federation Ministry of Defense	170,620.9
Russian Tsentrosoyuz	1,618.1
Russian Academy of Sciences Medical Association	22,680.5
Russian Federation Tax Police Department	115,472.0
Russian Federation Committee for Veterans of Special Risk Subunits	1,965.3
Russian Federation President's Committee for Chemical and Biological Weapons Convention Problems	735.9
Russian Federation Government's Market Conditions Center	3,437.8
"Tekhnokhim" MGO [expansion unknown]	559.1
Russian Federation Government's Federal Administration for Special Construction	37,018.1
Administration for the Planning and Implementation of Special Programs of the Russian Federation President's Staff	286,162.4
Russian Academy of Sciences	443,506.1
Russian Federation Government's Medical Center	227,436.8
Russian Federation President's Commission for Russian Federation State Prizes in the Sphere of Science and Technology	135.2
M.V. Lomonosov Moscow State University	108,876.7
Federal Administration for Medico-Biological and Extremal Problems under the Russian Federation Ministry of Health and Medical Industry	162,919.3
"Russian Farmer" Fund	27,051.9
Russian Federation Government's Russian News Telegraph Agency [ITAR]	19,640.7
Siberian Department, Russian Academy of Sciences	184,507.7
Siberian Department, Russian Academy of Medical Sciences	11,236.6
"Orlenok" All-Russia Children's Center	4,926.6
"Okean" All-Russia Children's Center	4,498.0
Russia's Bolshoy Theater	22,248.1
Russian News Agency "Novosti"	11,405.4
Russian Academy of Medical Sciences	1,844.9

Russian Academy of Arts	8,052.1
Russian Federation Government's Press Center	722.4
Russian Defense Technical Sports Organization (ROSTO)	8,818.4
"Dalspetsstroy" Federal Specialized Administration under the Russian Federation State Committee for Questions of Architecture and Construction	23,352.8
Ural Department, Russian Academy of Sciences	48,808.8
Far Eastern Department, Russian Academy of Sciences	65,632.7
Ye.D. Stasova Boarding School	278.6
Russian Academy of Education	6,648.0
Russian State Assay Office	1,557.0
Russian Academy of Management	8,155.7
Russian Federation President's State Technical Commission	1,860.2
"Yuridicheskaya Literatura" Publishing House of the Russian Federation President's Staff	5,024.2
Apparatus of the Russian President's Plenipotentiary for Saymenskiy Canal	95.0
Russian Federation Ministry of Labor's Service for the Settlement of Labor Disputes	443.3
Federal Administration for Insolvency (Bankruptcy) Affairs under the Russian Federation State Committee for the Management of State Property	8,850.0
Expenditure on closure estimates for abolished ministries and departments	31,348.22

Chernomyrdin To Revisit Question of Import Tariffs

PM0707153994 Moscow IZVESTIYA in Russian 7 Jul 94 pp 1-2

[Report by Valeriy Konovalov: "Customs Tariffs on Imports Will Be Revised"]

[Text] Before flying to Perm, Viktor Chernomyrdin, prime minister of the Russian Government, invited journalists to a news conference at the airport. The purpose was to dispel rumors of the resignation of Rem Vyakhirev, chairman of the "Gazprom" Joint-Stock Company, who had been brought to Vnukovo specially to dispel these rumors. But not only this topic was the subject of discussion.

In reply to IZVESTIYA's question as to whether a revision of the new customs tariffs on imports which came into effect 1 July is possible, Viktor Chernomyrdin reported that the government has received letters from the governments of Moscow and St. Petersburg and from a number of other regions and organizations asking it to repeal, change, or amend the new customs regulations. The prime minister declared that these requests are being examined attentively and, as a result, the government will return to the question of the customs tariffs. He cannot say yet how this problem will be resolved.

It is obvious, however, that, despite the official introduction of the new import tariffs, this question remains open—it affects too serious interests. This is why the process of concluding contracts with suppliers by major consumers of foodstuffs has practically come to a halt. Both Moscow and St. Petersburg and also a number of other large cities which do not have their own food base have now stopped buying foodstuffs and are using old stocks. Commercial structures, even including very small ones, are also waiting for the situation to change—they are not buying commodities at the new prices. Nobody believes that the adopted tariffs will remain in force.

The prime minister himself also seems to doubt their stability. But a serious struggle lies ahead. For the new tariff procedure is championed by the powerful agrarian lobby, which is supposedly protecting Russian agricultural producers from competition, although in fact the new tariffs give the peasants no advantage. The processors, trade, and officials in the agrarian business stand to gain. The immediate future will show who proves stronger. On his return from Perm Chernomyrdin intends to return at once to this question. Be that as it may, those people who are in no hurry to live, to trade, or to conclude deals at the new tariffs seem to be right.

Yeltsin Signs Edict Raising Civil Service Wages 40 Percent

LD0707204994 Moscow Radio Rossii Network in Russian 1600 GMT 7 Jul 94

[Text] Boris Yeltsin has signed an edict on salaries for public servants in the state authorities, the presidential press service reports.

In connection with the raising of the minimum wage, the Russian president has signed an edict that—beginning 1 July 1994—salaries set for public servants by the federal state authorities, based on the salaries for public servants set on 1 January 1994, will be increased by 40 percent.

Yeltsin Issues Decree To Stabilize Living Standards

LD0707111894 Moscow ITAR-TASS in English 1040 GMT 7 Jul 94

[By ITAR-TASS]

[Text] Moscow July 7 TASS—President Boris Yeltsin has issued a decree "on the drafting of a programme to stabilise the living standards of the population of the Russian Federation". The decree was signed with a view to providing social protection for the most vulnerable sections of the population and is based on article 80 of the Russian Constitution, points out a presidential press secretary's announcement circulated on Thursday.

It is recognised a priority of Russia's social policy to ensure the main social guarantees for the citizens of Russia by stabilising the living standards of the population, particularly those of the most vulnerable sections.

The Social Policy Council to the president and the government have been instructed to prepare, before September 1, and submit to the president for consideration, a draft programme of moves to stabilise the living standards of the population.

Chernomyrdin Chairs Government Sitting on Monopolies

LD0707143094 Moscow Russian Television Network in Russian 1200 GMT 7 Jul 94

[Report by correspondent Ye. Kuznetsova; from the "Vesti" newscast]

[Text] Monopoly holders are setting their prices, and this provokes a new spiral of inflation. How to protect the consumer? For this purpose the government is preparing a law on natural monopolies [yestestvennyye monopolii].

Viktor Chernomyrdin was strict today. The situation was aggravated by a proposal from the chairman of the committee for antimonopoly policy, who presented the law, to set up an agency to monitor monopoly holders. The prime minister stressed that when there is no money in the budget, it is necessary first and foremost to sort out the departments which already exist and not to form new ones.

[Fuel and Energy Minister] Yuriy Shafranik was also criticized today. The prime minister was dissatisfied that the Ministry for Fuel and Power Engineering supported plans to set up another administrative structure, which no one needs. The government decided to do some further work on the law.

The question on fulfillment of the presidential edict on the procedure for the return of refugees to North Ossetia and Ingushetia was discussed behind closed doors. Answering a question from the "Vesti" program, Ruslan Aushev said that it will be technically difficult to implement the presidential edict.

[Begin Aushev recording] For the present everything is only on paper, there are no practical steps and [words indistinct]. [end recording]

[North Ossetia President] Akhsarbek Galazov criticized the Russian Economy Ministry and the Finance Ministry.

[Begin Galazov recording] For refugees to return to their former homes, the former homes should be restored. This is the main thing. Huge capital investments are needed to restore them. As far as I understand, the Finance Ministry does not have the funds to solve this problem. [end recording]

Both presidents were united on one thing: in their hope that the government will to a certain extent solve the accumulated problems.

Text of Yeltsin Edict on Oil Exports

PM0707140194 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 94 First Edition p 4

[Edict No. 1385 of the Russian Federation president "On Deliveries of Oil and Petroleum Products for Export in 1994," dated Moscow, the Kremlin, 1 July 1994 and signed by Russian Federation President B. Yeltsin]

[Text] For the purposes of ensuring guarantees of the fulfillment of the Russian Federation's international obligations, including the repayment of international credits for the development of the Russian Federation's petroleum and oil-refining industries, and in fulfillment of the Russian Federation president's Edict No. 1007 of 23 May 1994 "On the Abolition of Quantitative Regulation and Licensing of Deliveries of Commodities and Services for Export" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII No. 5, 1994, p 397), I decree:

1. The existing procedure for deliveries of oil and petroleum products for federal state needs and in accordance with enterprises' quotas on the basis of licenses issued by the Russian Federation Ministry of Foreign Economic Relations and also customs tax breaks when making the said deliveries are to be extended through 1 January 1995.

2. The Russian Federation Government is to approve a procedure providing for deliveries of oil and petroleum products for export by oil companies and producer-enterprises as of 1 January 1995 through organizations registered at the Russian Federation Ministry of Foreign Economic Relations in accordance with the established procedure, with payment of export customs duties on the entire volume of exports, ensuring the interests of the state and of the producer-enterprises.

3. This edict comes into force the moment it is signed.

[Signed] B. Yeltsin, president of the Russian Federation
[Dated] 1 July 1994

Gaydar, Yavlinskiy Assess Privatization

LD0707203794 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 7 Jul 94

[Text] [Announcer] Russia's Choice leader Yegor Gaydar has spoken to your correspondent about the privatization program.

[Begin Gaydar recording] The privatization process is always a process of searching for a reasonable social compromise. I believe that this is a reasonable social compromise, taking into account the present state of affairs where a private sector has already been created and its decisions have been accommodated in the privatization program. The first effect of the second stage of privatization will be the continuation of privatization. [end recording]

[Announcer] Deputy Grigoriy Yavlinskiy said that Yabloko Bloc supports the [privatization] plan. Is there not a danger of the transfer of as yet state property into the hands of moneybags [denezhnyye meshki]? Grigoriy Yavlinskiy does not see this problem arising.

[Begin Yavlinskiy recording] There is no danger because there is no money, let alone moneybags. The money that could be used is outside the country. If that money begins to return as a result of privatization, then that will be an absolutely positive sign. Unfortunately, there are no such signs as yet and that is the main problem. [end recording]

Summary of Jun Price Movements, Inflation Figures

PM0807084994 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 94 First Edition p 3

[Unattributed report based on data from the Russian Federation Government Center for the Study of the Economic Situation Price Analysis and Forecasting Administration: "June: Month's Prices. A Stone's Throw From Moscow to Kamchatka. Capital Approaches Most Expensive Regions in Terms of Prices"]

[Text] The month's results have been summed up. Some encouraging information about the level of inflation has appeared at last. According to figures from the state statistics organs, the overall inflation index in June was 104.8 percent, up by a factor of 1.8 since the beginning of the year.

The rise in charges for paid services to the population has continued to outstrip the change in prices of foodstuffs and nonfood goods.

In June, inflation was the lowest it has been in the past two and a half years (since the deregulation of prices) and was 4.8 percent for the month. The change in prices and charges for paid services to the population has once again considerably—almost threefold—outstripped the price rise for consumer goods. The population found services to be 11.7 percent more expensive this month.

The greatest rise of consumer prices for goods and services was noted in the Central Chernozem region—up 6.9 percent—where the price of food went up more than anywhere else in Russia in June, and paid services to the population also went up significantly—by 15 percent.

In Moscow, paid services to the population became 24 percent more expensive, which was mainly due to the cost of travel by city transportation and the rise in electricity charges. The price rise for goods and services in the capital as a whole was significantly higher than the average Russian figure, and was 7.4 percent.

Foodstuffs went up by 4.2 percent in June. The price of butter remained practically unchanged during the month. For the first time since our newspaper started providing information about prices, it can be noted that certain products have gone down in price. Eggs and vegetables went down by 4 and 3 percent respectively. The price rise for dairy products, vegetable oil, and vodka was only 1 percent this month.

Of the foodstuffs being monitored this past month, the following went up the most: fruit by 24 percent; groats, pasta products, and salt by 9 percent; bread products by 7 percent; and meat products, sugar, and confectionary by 5 percent.

Prices of foodstuffs as a whole went up by a factor of 1.7 in January-June. The price of fruit and vegetables has gone up most of all since the beginning of the year—by factors of 3.1 and 2.7 respectively; salt—by a factor of 2.6; bread products—by a factor of 2.2; and the prices of dairy products, groats, and pasta products have doubled. Vegetable oil and vodka have gone up less perceptibly—by a factor of 1.3, and eggs by a factor of 1.2. The total price rise for sugar has been 8.3 percent in the six-month period.

Foodstuffs went up by 4.1 and 4.8 percent in June in small cities (with a population of up to 250,000 people) and medium ones (between 250,000 and 500,000 people) respectively. The price of foodstuffs in major Russian cities with a population of over 500,000 people (apart from Moscow and St. Petersburg) went up more slowly during the month.

The average price of the basket of 19 most important food products in June was 57,400 rubles [R] for the month. The cost of this basket at organized trade prices was R55,000, and R70,400 at unorganized trade prices.

In Moscow the basket of 19 most important food products at the end of June cost R65,600. In St. Petersburg it was R57,400. In the list of cities being monitored, Moscow has moved from 34th place to 28th in terms of expensiveness, while St. Petersburg now ranks 48th (49th a month ago).

The following have gone up most of all in the past month: medicines, wallpaper, and matches by 12 percent; children's knitwear and footwear by 10 percent, and synthetic detergents by 8 percent.

The slowest to go up were tobacco products and domestic electric appliances, which went up by 3 percent during the month. The price of fuel remained practically unchanged in June.

Of all Russia's economic regions, the greatest price increase for nonfood goods was observed in cities in East Siberia—by 8.1 [percent]. Prices in the Northwestern region and the North Caucasus went up by 5.7 percent. Like foodstuffs, industrial goods did not go up in the Urals either.

The highest price levels for nonfood goods, double or triple the average Russian prices of these goods, were registered during the month at Petropavlovsk-Kamchatskiy (where this excess was noted for 24 of the 40 commodities being monitored), Novyy Urengoy (20), Angarsk (18), and Nakhodka (17).

Government Proposes Increased Individual Income Tax Rates

LD0707182394 Moscow INTERFAX in English 1603 GMT 7 Jul 94

[Text] The Russian government has proposed to increase tax rates for individuals with large incomes and to reduce the number of existing tax concessions. These proposals are included in supplements and changes to the decrees on individual taxation to be considered by the State Duma on July 8.

The proposals include raising the maximum level of gross annual income taxed at a rate of 12 percent from one million to 10 million rubles. Under current law, the maximum rate is limited to 30 percent for a sum exceeding two million rubles. The government proposes introducing a 40-percent rate for annual incomes exceeding 100 million rubles and 50 percent for incomes of over 300 million rubles.

The proposals also include levying tax on all kinds of material aid which enterprises and organizations give their employees, including any kind of gift, services, and prizes (except prizes received by sportsmen at national, international, European championships and at the Olympic Games). Under existing law amounts up to 12 times the minimum wage are not subject to tax.

The government also proposes imposing tax on private income received in the form of interest on bank savings. These incomes are currently not subject to tax.

The government is also seeking to increase private property tax from 0.1 percent to 1 percent and to limit concessions to those who use their money for the construction and purchase of apartment, dachas, country houses (currently the taxed income is being decreased). It also intends to extend property tax concessions to Heroes of the Russian Federation, and to increase vehicle tax, as government analysts believe the existing rates do not correspond to current price levels.

Bank Investment Key to Boosting Industry

PM0807100994 Moscow IZVESTIYA in Russian 5 Jul 94 p 2

[Commentary by Ivan Zhagel: "Why Parliament Wants To Take Bread From the Banks"]

[Text] Although the long-awaited ratification of the budget in both houses of parliament has finally occurred, it makes sense "while the trail is still warm" to examine the expediency of taking so long to settle this document.

It is no secret that, in sending the budget for redrafting time after time, many deputies demanded modification of those expenditure headings envisaging state support for enterprises, or to be more precise, for their structural overhaul. However, when we talk of state support, we totally lose sight of the problem of its effectiveness.

Let us not forget that state support was given to enterprises in both 1992 and 1993. In this period the Russian Ministry of Finance channeled 454 billion rubles [R] into implementing conversion and investment programs via the Industrial Construction Bank alone. Moreover, in the given case the Industrial Construction Bank was effectively working not as a bank, but as a simple transmitter of money, and it was not alone in this role. It accounted for around 50 percent of such investments. Consequently, the total volume of investments over the two-year period comes to around R1 trillion and, taking all sorts of sector funds into account, to even more than that. And allowing for prices in these years, you arrive at a simply colossal sum.

Naturally, the question arises: What did we get as a result of this support for enterprises and "funding of conversion and investment programs"? The answer is simple: Zilch! The money was spent on consumption, completely blown, squandered, pilfered.

The point is that all these investment programs were elaborated or ratified in the center, in Moscow. However, is it possible to assess the effectiveness of thousands and thousands of projects all over Russia from the center? Certainly not. And most importantly, under such a scheme no one bears responsiblity for recouping the allocated resources or for their efficient use. The very mechanism for the distribution of money, which effectively reproduces Gosplan's [the State Planning Committee] modus operandi, is flawed.

At the same time one obvious detail is neglected: There already exists in the country a mighty banking system, which by no means handles investments but "cooks up" money in trade, broker, currency, and God knows what other transactions. Well, perhaps they speak about it, but no one makes a direct link between the problem of structural overhaul and the work of the banks. So, let the banks do their own thing, and statesmen will boldly take the economy upon their shoulders, pumping more and more totally unsupported money into it.

But the banks' assets are now such that, in comparison, the size of any state support for enterprises would seem simply ridiculous. It is common knowledge that the banks could dump several trillion rubles on the currency exchanges in one week, and they have done so more than once. And how much is the defense industry asking for the whole year for its structural overhaul—R20-30 trillion?

Obviously, there is more than enough money in the economy. And the whole question is the correct redistribution of this money. Though, on the other hand, it is also obvious that given such a level of inflation, it is simply unprofitable for the banks to grant long-term investment credits. But the situation has now begun to change markedly.

From around mid-spring this year interest rates on the interbank market began to fall markedly. Talk to any banker, and you will hear that it has now become a huge problem to place money anywhere— people are just not taking it. But it is expensive money that they are not taking; cheap money is no problem. And this could be

the decisive moment for the banks to begin to show an interest first in medium-term, and then in long-term investment programs.

But apparently this is not to the liking of some people. And again, it is obvious who—leaders of major enterprises, for whom it is better to receive money from the state than from the banks. After all, the banks will demand in return for loans a clear program for structural overhaul, proof of the ability to repay the funds, and in case of failure to do so, they will put the plant under the hammer—if, of course, by then they have normal security legislation.

The creation of such laws is what parliamentarians should be tackling, rather than grabbing slices of the state cake for those who back them. At any rate, if we once again start implementing a wide-ranging, but so far senseless policy of state support for enterprises, the country's financial system could again plunge into an inflationary spiral. And then the banks would continue to work in their own way, and an economic upturn would remain the province of statesmen. An honorable task, but a senseless one.

Dollar at R2,000 but Currency Market 'Stable'

PM0707155394 Moscow IZVESTIYA in Russian 7 Jul 94 pp 1-2

[Article by Ivan Zhagel: "2,000 Rubles to the Dollar, and No Panic. Confidence in the Russian Currency Is Growing"]

[Text] A long-expected event occurred 6 July in trading on the Moscow Interbank Currency Exchange: The currency rate of exchange topped the mark of 2,000 rubles [R] to the dollar!

In this connection there is reason to recall the stages, so to speak, on the long road. The dollar rate topped R100 in November 1991, we "took" the R500 mark in January 1993, vaulted over R1,000 in May of the same year and R1,500 in January 1994, and then, 6 July, one more impressive mark yielded to us. Even this is not, of course, the limit.

But, whereas the taking of the R2,000 mark is capable of causing further psychological stress in the majority of Russian citizens, the currency market dealers will certainly be indifferent to this event. This is because what is important to them is not the actual value of the exchange rate but its steep falls, out of which alone it is possible to make money. In this sense the state of the currency market today may be defined as relatively quiet and even stable.

At any rate, the smooth drop in the rate corresponds to the rate of inflation, which in turn is already covered by interest rates on the interbank ruble market. Therefore, although ordinary citizens are still chasing dollars, the banks have to a considerable degree lost interest in currency operations and are switching their money mainly to the market for short-term state bonds.

In general, we must acknowledge that the currency market which has emerged here and which has already become almost stable is one of the few results of which the reform can boast. Of course, it still cannot be called civilized in the full sense, but let us remember that just over two years ago—only two years!—we did not have a currency market as such at all. The dollars earned by enterprises were redistributed by officials, and it is well known how they manage to do that. As for ordinary citizens, at that time it was virtually impossible for them to acquire currency by legitimate means at all. It was during the period from the fall of 1991 through the winter of 1992 that many Russians engaged in a specific type of business: By hook or by crook they would obtain a visa for foreign travel, which gave them the right to buy $200 at the so-called tourist rate, although then they might not go anywhere. Let us recall that at that time it was still perfectly possible to be "booked" for operations involving greenbacks.

In addition to the tourist rate, two years ago there were both the special rate at which exporting enterprises were obliged to sell currency to the state and the commercial rate for sales of currency to the Central Bank. Naturally, all these rates were far removed from the real one, and their chief purpose was to clean out exporters as much as possible in favor of the official who was dealing with currency. On the other hand, the fact that several rates existed quite reasonably gave international financial organizations an excuse to accuse us of lacking real reforms.

Finally, 1 July 1992 a breakthrough was made in currency regulation—under pressure from the IMF the Central Bank issued a directive under which a single rate for the ruble was introduced, determined on the Moscow Currency Exchange. True, just like an inveterate alcoholic who promises to give up drink not right away but on Monday, the Central Bank attempted in talks with IMF representatives to secure the right to introduce the new instruction a few weeks later, so that giving up the harmful habit could have dragged on indefinitely. But, thank God, common sense prevailed at the Central Bank, and the instruction was introduced at once.

Exactly one year later—1 July 1993—one more big step forward was taken: Exporting enterprises were exempted from compulsory sales of currency to the Central Bank and the Ministry of Finance, and the only thing that they had to do was to sell half their currency proceeds on the free market. Those regulations exist to this day, since they virtually satisfy everyone.

Exporters are pleased that they are guaranteed to keep half of their currency proceeds, while they sell the other half at the rate which has actually taken shape, so that there are no losses here. At the same time all who do not export their output may now quietly buy currency on the free market. Incidentally, it is customary for us to refer to foreign experience and to imitate it. Therefore we can take certain pride in the fact that other countries—China, for example—have begun to copy the Russian rules of currency regulation.

As Dmitriy Tulin, deputy chairman of the Central Bank of Russia in charge of currency questions, has repeatedly

declared, however, we should neither underestimate nor overestimate the fact of the currency market's emergence. It exists in close connection with other segments of the financial market, and if the government had not succeeded in restricting inflation, then the currency rate would also, as before, have skipped around like a young goat.

Therefore the prospects for developing and strengthening the currency market are directly linked to the further stabilization of the economic situation in the country. Although, on the other hand, the dollar rate has also acquired perfectly independent significance under our conditions. Cabdrivers and market traders are geared to it in fixing their prices, it is taken into account in commercial enterprises when setting employees' wages, and, in the end, it has become the yardstick of personal success and well-being.

In this connection the following question is of considerable interest: What will the ruble rate be at the end of the year, let us say? Specialists make various forecasts, but they are, very gratifyingly, quite close. Thus, the Central Bank of Russia most frequently mentions the figure of R3,000 to the dollar. But Acting Finance Minister S. Dubinin recently ventured to indicate a rate of approximately R2,600 to the dollar for the end of the year. Of course, the latter figure smacks of considerable optimism and even politics. But at the same time it is very likely that no catastrophic upheavals are foreseen on the currency market.

Thus, despite the astronomical ruble rate, which would have been perceived as simply fantastic in our recent past, the successes in creating a currency market which, although still unstable and liable to interference by officials, is already beginning to resemble in many respects the currency markets of civilized countries would also have been perceived as no less fantastic back then. It is in our interests to increase this to a full similarity.

Space Issues

Cosmos-2282 Successfully Launched for Defense Ministry

PM0707171594 Moscow KRASNAYA ZVEZDA in Russian 8 Jul 94 p 1

[Report by Captain-Lieutenant Vasiliy Fatigarov: "'Proton' Launched in the Interests of the Ministry of Defense"]

[Text] A Proton heavy launch vehicle was launched from the Baykonur cosmodrome early yesterday morning at 0358.51 hours Moscow time.

By evening it had put the Cosmos-2282 spacecraft into geostationary orbit. The launch, which was carried out by the Russian Federation Military Space Forces in the interests of the Ministry of Defense, was successful. The Military Space Forces press center informed us of this.

Parameters Given for Cosmos-2282

LD0807090394 Moscow ITAR-TASS World Service in Russian 0711 GMT 8 Jul 94

[Text] Moscow, 8 Jul (ITAR-TASS)—An artificial Earth satellite, Cosmos-2282, intended for use in the interests of the Russian Federation's Defense Ministry, was launched by a Proton carrier rocket from the Baykonur cosmodrome on 7 July. ITAR-TASS was told this today by the flight control center.

The satellite has been placed in a near-circular orbit with the initial parameters:

—distance from the Earth's surface - 36,125 km;

—inclination to the plane of the Equator - 2.4 degrees;

—period of revolution - 24 hours 9 minutes.

The apparatus on board the satellite is working normally.

Cosmonauts in Mir Orbital Station Hold News Conference

LD0707144494 Moscow Russian Television Network in Russian 1200 GMT 7 Jul 94

[From the "Vesti" program]

[Text] Today an unusual press conference was held. Journalists were invited by cosmonauts Viktor Afanasyev, Valeriy Polyakov, Yuriy Usachev, Yuriy Malenchenko and Tolgat Musabayev. At present they are working at the Mir station, which orbits the Earth at a distance of 418 km, that's why, in order to contact the station, the press representatives came to the Flight Control Center in Kaliningrad, in Moscow Oblast.

Of what areas of the Earth have you taken topographic film, journalists asked. We have filmed the Black Sea, South America, and the basin of the Mississippi River, the cosmonauts answered.

This is how the Mir complex has demonstrated to the UN the possibilities of Russian cosmonauts carrying out ecological surveying. This is very topical at the end of the 20th century. However sad it is to admit, man looks after his planet very poorly.

What would you like to wish those on Earth from the height of your position? Mutual understanding, endurance and friendship, so that our life will move on.

The crew especially stressed the role of science in the progress of human civilization and the importance of space research for the planet's population. Viktor Afanasyev's and Viktor Usachev's landing is planned for Saturday, and on Monday their first earthly meeting with the press is planned to be held in Zvezdnyy Gorodok.

Federal Assembly

Duma Passes Bill To Protect Judges, Law Officials

LD0707151194 Moscow INTERFAX in English 1309 GMT 7 Jul 94

[Text] The Duma passed in principal without debate Thursday a bill on state protection for judges, law enforcement and police officers. The draft was upheld by 340 deputies, two lawmakers abstained from voting.

It guarantees protection to judges, assessors, prosecutor generals, investigators, interior ministry, counterintelligence and custom service officers, policemen and members of their families. The forms of protection vary from guarding individuals, their homes and property to issuing arms, changing people's documents and appearance, and resettling them in other areas.

Approved by Duma legal experts, the bill was initially endorsed after its second reading virtually unanimously on June 15. It takes the notes, made by the government, into account.

Chubays Briefs State Duma on Privatization Program

LD0707164994 Moscow ITAR-TASS in English 1452 GMT 7 Jul 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow July 7 TASS—Production slump at Russian enterprises which were turned into joint stock companies is ten percent less than the country's average, Russian Vice-Premier Anatoliy Chubays told plenary session of the State Duma on Thursday.

The so-called "smaller-scale privatization" encompassed more than 84,000 enterprises accounting for 74 percent of Russian small businesses, he said. The "larger-scale privatization" involved 21,000 medium-sized and large businesses accounting for 70 percent of the total number. Forty million Russians now hold shares, he noted.

Then he spoke at length on key points of a draft programme for privatization of state-owned and municipal enterprises in the Russian Federation since July 1, 1994, which was submitted to the lower house of the Russian parliament.

According to the draft programme, privileges of work collectives of enterprises under privatization will be substantially curtailed. Namely, they will hold only 25 percent of voting shares or ten percent of ordinary shares compared to 51 percent of shares specified in a previous plan. The move should make the enterprises more attractive for potential investors, Chubays emphasized.

Besides, the owner of a privatized enterprise will come into possession of not only means of production, but also buildings and land occupied by the enterprise. Most of the receipts from the privatization will be spent on developing the enterprises concerned. The draft programme predicts, that in 1.5 or two years, private sector will account for 85-90 percent of the national industry, he added.

After his speech Russian legislators agreed with Ivan Rybkin, chairman of the State Duma, who proposed to put off debates on the draft programme in view of the complexity of the issues involved. Parliamentary discussions will begin on July 13. Sergey Burkov, chairman of the State Duma Committee for Property and Privatization, is expected to deliver a joint report on Chubays' speech.

Duma Committee Hearings on Plight of Russians Abroad

PM0807091794 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 94 First Edition p 2

[Report by Yuriy Stroganov: "Only Lithuania Is Spared Criticism"]

[Text] Parliamentary hearings on the topic of "Development of Relations with Compatriots in More Distant Foreign Countries and the Countries of the Baltic Region" have taken place in the State Duma International Affairs Committee.

At the hearings, only Lithuania was mentioned as a country boasting more or less favorable living and working conditions for Russians who, by the will of fate, have found themselves on foreign soil.

A. Trofimov, Russia's ambassador extraordinary and plenipotentiary to Estonia, talked about the tyranny of functionaries who impede the acquisition of republic citizenship, the dismantling of the system of education in the Russian language, and the tragedy of Russian military pensioners. There are over 10,000 of them in Estonia. Some retired after August 1991 and under local laws were obliged to leave the country and to abandon their apartment, relatives, and friends. In military settlements devoid of energy sources, people sit in darkness, but the authorities seem not to have noticed their plight. Local Russians fear the upcoming departure of the Russian Army.

What, then, is to be done? How can our compatriots be helped? Discussion focused on the extensive use of lawful measures. Steps were suggested in the economic, cultural, social, and other spheres.

Nevertheless, judging from speeches by people actually living in these states, the compatriots are expecting more specific, direct assistance. For instance, the creation of a bank involving Russian capital to support small and medium business, which is something the Russian ambassador to Estonia mentioned.

Zhirinovskiy Party Initiates No Confidence Motion

LD0807093194 Moscow ITAR-TASS in English 0827 GMT 8 Jul 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow July 8 TASS—The Liberal-Democratic Party of Vladimir Zhirinovskiy initiated a no-confidence vote in the government on Friday, but failed to win enough support to put the item on the agenda.

A total of 174 lawmakers voted in support of the proposal submitted by Zhirinovskiy's deputy Aleksandr Vengerovskiy which was not enough to adopt it.

Vengerovskiy did not speacify in the written proposal what were the reasons behind this motion.

At the same time, legislators agreed with a proposal from their colleague Anatoliy Gordeyev to hear a report from the Central Electoral Commission at the next Wednesday session on the results of the elections to the Russian parliament and the poll on the draft of the new Russian constitution.

It is also planned to hear a report by the Credentials Commission of the lower chamber, which was instructed by the lower house to examine reports, including those in the press, that there were allegedly violations during the campaign as well as on the election day and at the referendum on the constitution.

State Duma Debate on Post-Voucher Privatization Postponed

LD0707182294 Moscow INTERFAX in English 1603 GMT 7 Jul 94

[Text] The State Duma has postponed until next Wednesday the debate of a draft federal program of post-July 1 privatization of state and municipally owned businesses. Duma Speaker Ivan Rybkin suggested that in the meantime the parliamentary groups should discuss the report submitted by State Property Committee Chairman Anatoliy Chubays on the results of voucher privatization and a program of the second stage of privatization.

The exchanges between Chubays and State Duma deputies Thursday were bitter. They accused each other of plunging the country into an economic crisis.

Chubays said he was sure that neither the former Supreme Soviet nor the State Duma nor the next parliament would be able to undo what had been done in Russia. He told the deputies that, contrary to their forecasts, Russia had accepted and supported a unique program which will turn the country into one of the most advanced in the world.

Responding to statements that the actual price of a voucher, whose par value was 10,000 rubles, increased only by a factor of four or five rather than by a factor in the hundreds or thousands as promised, Chubays said that the actual income of stocks was in the difference between its rates. He had data to show that the shares of businesses that had been the first to go private and attracted cash investments, such as Rostelekom or LOMO-St. Petersburg, had increased in value by at least a factor of one thousand.

Chubays told journalists that he was sorry that the post July 1 privatization program had not been passed Thursday. He said that the State Duma members did not understand the role they were to play in the state machine and so the president was not bound by any commitments.

Interfax reported earlier in the day that Rybkin told deputies that the government could legally bypass the State Duma to introduce the federal program.

Duma Decree on Anticrime Legislation

PM0807102594 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 94 First Edition p 1

[Decree No. 141-1 GD of the Russian Federation Federal Assembly (Parliament) State Duma, dated Moscow, 22 June 1994, and signed by I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma: "On Protecting the Constitutional Rights and Freedoms of Citizens When Implementing Measures in the Struggle Against Crime"]

[Text] The Russian Federation Federal Assembly State Duma is worried by the continuing rise in crime in the country, the low crime prevention and clear-up level, and the inability of state organs to counteract crime effectively. The legal basis for the struggle against crime remains, on the whole, unchanged despite the drastically altered quantitative and qualitative characteristics of this dangerous phenomenon.

The State Duma has adopted a series of federal laws, in particular the Federal Law "On the Introduction of Amendments and Additions to the RSFSR Criminal Code and the RSFSR Code of Criminal Procedure," and active work is under way to prepare and adopt other draft laws concerning the struggle against the most dangerous criminal manifestations: corruption and organized crime.

At the same time, the proper collaboration in preparing the aforementioned draft laws has yet to be established with the Russian Federation president, the Russian Federation Government, and other institutions with the right to initiate legislation. Since January 1994, just one draft law on the problems being examined has been submitted by the Russian Federation president and the Russian Federation Government—"On the Russian Federation Counterintelligence Organs." There is an evident desire to solve a series of key problems by using edicts and other forms of delegated legislation rather

than federal laws. This practice is not always in line with the requirements of the Russian Federation Constitution.

Thus, edict No. 1226 "On Urgent Measures to Protect the Population from Gangsterism and Other Manifestations of Organized Crime," which was signed 14 June 1994 by the Russian Federation president and which envisaged measures in the struggle against organized crime, in many ways and without sufficient grounds curbs the constitutional rights and freedoms of citizens—the equality of their rights before the law and the courts, the right to personal immunity, and others—and runs directly counter to Articles 4, 10, 17, 19, 22, 34, 50, and 55 of the Russian Federation Constitution, as well as a whole series of articles of the RSFSR Code of Criminal Procedure currently in force. Thus the system of the administration of is being disorganized. In the light of this, and bearing in mind that the Russian Federation Constitution and the federal laws enjoy supremacy throughout the Russian Federation territory, and that man, his rights, and his freedoms are the supreme value and cannot be curbed by delegated legislation, the Russian Federation Federal Assembly State Duma decrees:

1. That the attention of the Russian Federation Supreme Court be drawn to the need to comply with the Russian Federation Constitution and existing legislation when examining specific criminal cases.

2. That it be confirmed that the norms of criminal-procedural legislation continue to operate fully in the Russian Federation.

3. That the State Duma Security Committee and the State Duma Committee for Legislation and Judicial-Legal Reform submit within two weeks for examination by the State Duma the prepared drafts of the following federal laws for first, second, and third reading: "On the Struggle Against Organized Crime," "On the Struggle Against Corruption," "On State Protection for Victims, Witnesses, and Other Persons Assisting in Criminal Legal Proceedings," "On State Protection for Judges and Officials of Law Enforcement and Monitoring Organs," "On Russian Federation Counterintelligence Organs," "On the State of Emergency," "On Custodial Detention of Suspects and Persons Accused of Committing a Crime," "On the Russian Federation Constitutional Court," "On the Civil Service".

4. That the Russian Federation Federal Assembly Federation Council, the Russian Federation president, and the Russian Federation Government be asked to participate in discussing and finalizing the draft laws listed in Point 2 of this decree to ensure that they pass through the Russian Federation Federal Assembly as quickly as possible and are signed by the Russian Federation president.

5. That the Russian Federation president be instructed to refrain from applying the 14 June 1994 edict No. 1226 "On Urgent Measures to Protect the Population from Gangsterism and Other Manifestations of Organized Crime" until it is brought in line with the Russian Federation Constitution, and to speed up the submission to the State Duma, in line with established procedure, of the drafts of the Russian Federation Criminal Code, the Russian Federation Code of Criminal Procedure, and the Russian Federation Penal Code.

[signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma
[dated] Moscow, 22 June 1994
No. 141-1 GD

Regional Affairs

Kozyrev Arrives in St Petersburg on Yeltsin Mission

LD0707160794 Moscow ITAR-TASS in English 1520 GMT 7 Jul 94

[By ITAr-TASS correspondent]

[Text] St. Petersburg July 7 TASS—Russian Foreign Minister Andrey Kozyrev arrived today in St. Petersburg on his way home from Belgrade.

Upon arrival, he told TASS that his visit to the city "was associated with an assignment by President Boris Yeltsin" but did not elaborate.

According to unconfirmed reports, Iraqi Deputy Prime Minister Tareq 'Aziz arrived today in Russia supposedly to talk with Kozyrev on prospects of lifting the U.N. imposed oil embargo.

Bashkir President Says Talks With Moscow Near Completion

LD0707203294 Moscow INTERFAX in English 1843 GMT 7 Jul 94

[Text] Bashkortostan's President Murtaza Rakhimov told Interfax in an exclusive interview that the talks with Russia were nearing completion.

He said that the Bashkir negotiating team headed by State Secretary Mansur Ayupov was wording the treaty in Moscow and that only the title of the treaty and clemency and amnesty issues had to be finalized. Under the Bashkortostan Constitution the document must be referred to as an inter-state agreement while the Russian negotiators insist on calling it a power sharing treaty, the description given to the Russian-Tartar treaty. This, however, does not suit Bashkortostan, Rakhimov said.

He said that if the document was drafted this week, then the date of signing it would probably be agreed on next week at a meeting with the Russian President Boris Yeltsin.

Chechen Opposition Condemns Contacts With Groznyy

LD0707160994 Moscow INTERFAX in English 1309 GMT 7 Jul 94

[Text] The opposition Interim Council (IC) of Chechnya has condemned any contacts between Moscow and what it called "the anti- popular regime" of Dzhokhar Dudayev. Its statement follows a recent visit to Groznyy by a delegation of Russia's "patriotic" movement led by ex-KGB General Aleksandr Sterligov.

"The leader of the Russian National Assembly (Sterligov) and members of the delegation failed to grasp the gist of volatile processes going on in Chechnya which are caused by the government's inability to pursue a policy in the interests of the Chechen people," one IC member told Interfax on condition of anonymity.

Sterligov himself speaking on arrival in Moscow accused Russian diplomacy of underhanded moves against the Chechen government and called to renounce the double standards in the policy against it. He also believes the Chechen people are entitled to sovereignty.

In the meantime, IC leader Umar Avturkhanov in an interview with Interfax expressed regret that the Russian delegation had met only with government officials who, he said, did not reflect the interests of the Chechen people as a whole.

Avturkhanov reaffirmed the IC's determination to sustain the struggle against Dudayev's "anti-popular regime."

Orenburg Oblast Regional Government Created

PM0707124794 Moscow ROSSIYSKIYE VESTI in Russian 5 Jul 94 p 2

[Report by correspondent Valeriy Vedernikov: "Big Name Has Big Business"]

[Text] Orenburg—A regional government has been created in Orenburg Oblast. By a decree of Vladimir Yelagin, head of the Orenburg Oblast Administration, a government has been created of which he has become head. As indicated in an announcement from the administration press service, the use of this organizational and legal form of executive power became possible as a result of the adoption of the new Russian Federation Constitution and a change in the socioeconomic conditions of the region's development as a component of the Federation.

The government is a collegial organ. Within the limits of its powers it will elaborate and fulfill the oblast budget and forecasts of the region's economic and social [presumably development] and the most important oblast programs. One of the government's main avenues of work will be the implementation of citizens' social guarantees, including the protection of their rights and freedoms and the struggle against crime. The government will coordinate the work of the organs of executive power in implementing ecological programs and eliminating the consequences of major accidents, catastrophes, and natural disasters and will resolve many other questions. Apart from Yelagin the government has been joined by the deputy heads of the oblast administration and by representatives of the oblast power structures and representatives of the tax inspectorate and banks. To elaborate strategic policy in the development of the oblast the administration head is forming through a decree permanent consultative organs, a council of city and rayon administration heads, an administrative council, a socioeconomic council, and a council of experts.

The press service report indicates that the reorganization of the oblast executive power structures will not entail an increase in the administration apparatus and some posts will be abolished.

New Buryat President Potapov Profiled

PM0707132194 Moscow ROSSIYSKIYE VESTI in Russian 5 Jul 94 p 3

[Report by Gennadiy Gypylov: "Leonid Potapov—Buryatia's First President"]

[Text] Ulan-Ude—Since 4 October last year they have wanted to have presidential power here. But those events were not the pretext—they had long been considering a presidency. On the eve of the recent elections ROSSIYSKIYE VESTI published a political forecast. But only now, in the second round, after one more run-in, it has become clear that it was justified: Parliament speaker Leonid Potapov, a Federal Assembly deputy and candidate of economic sciences, has become head of the republic.

The Transbaykal president is of working class origin. As party oblast committee secretary he was inconvenient to the nomenklatura of the time and did not fit into their serried ranks because he had his own personal opinion. In 1987 he left for Central Asia and soon he was elected deputy chairman of the Turkmenia Supreme Soviet. Later his fellow countrymen called him back home and Potapov headed a CPSU oblast committee.

But right now what is far more important is not so much who will command as how. "We must think about our fate independently. The Russian Government must give us our legally enshrined revenue. Why should it first gather everything for itself and then hand it out to us? Of course the new order must be enshrined by legislation. I believe it is essential to have a clear demarcation between the local, regional, and Russian budget systems. Ultimately we signed the Federation Treaty. I shall seek a mechanism for its implementation," the new president believes.

For the time being he will have to travel a well-known path—to the Ministry of Finances.... He intends to build

the republic's relations with the center in a different way. Not to ask for subventions but to restructure its economic complex, make structural changes, and determine priorities. The Baykal-Amur Railroad has a special place. "Together with the Russian Government we must think about how to attract foreign capital to our sector of the railroad. The republic is cooperating successfully with countries of the Asian and Pacific region and I think a 'link-up' with them will proceed successfully along this railroad...."

In brief the economy must be "moved on" through the market and not through the usual bureau decision or plenum decree. And here a certain doubt arises: Will the 50-year-old president really acquire a "new thinking?" "In my soul I remain a Communist and I have never concealed and do not conceal it," Leonid Potapov has repeated frequently. During the October rebellion he sent a telegram to Moscow asking that the gunfire against the White House be ended. A position? Yes, it is! A person opinion, whatever it is, cannot be taken away, and that includes taken away from the voters. Incidentally, on the eve of the elections in the local press the voters assigned the future president a kamikaze role.

The head of the republic will apparently take the oath during the Buryat national festival of "surkharban," which means "archery." There is a bow, the quiver is full of arrows. But the target.... Will Leonid Potapov himself not become the target through the will of the voters?

Communist Head of Chuvash Parliament Interviewed

PM0707162994 Moscow PRAVDA in Russian 5 Jul 94 p 1

[Igor Lenskiy report on interview with Chuvash State Council Chairman Valentin Shurchanov: "Chuvashia: Deputies on President's Payroll"]

[Text] Valentin Shurchanov, the 47-year-old leader of the Chuvash Communists, has been elected chairman of the republic State Council. This was made possible as a result of the alliance between the Communist and Agrarian factions, the largest in the State Council, which jointly make up an overwhelming majority.

In conversation with your PRAVDA correspondent, V. Shurchanov singled out five main subjects which the State Council will start examining in the near future. They include elaborating a draft Constitution of Chuvashia. They also include a review of laws on privatization based on the priority of workers' interests. Also solving problems of employment, which are particularly acute in densely-populated Chuvashia. Finally, providing the nucleus of the republic's industry—the military-industrial complex—with orders.

But the most urgent priority is support for agricultural producers during the harvest campaign. At present only 50 percent of Chuvashia's fleet of combines are functioning, there is a shortage of fuel and lubricants, and, most importantly, there is no money to obtain them. According to V. Shurchanov, there is only one way to help the republic. A simple way. By allocating money from the federal budget. The republic's own treasury, alas, is empty.

All the indications are that the path of Chuvashia's parliamentarians will not be a smooth one. However, V. Shurchanov sees no need to join the Treaty on Social Accord. "I support the decisions of the Communist Party of the Russian Federation," Valentin Sergeyevich stated. "First of all you have to deal with the fundamental spheres of economic policy and settle socially unresolved contradictions. And only then can you decide whether or not to sign the treaty."

What are relations with President N. Fedorov of the Chuvash Republic like? Fedorov believes that a professional parliament is a constructive thing. But there are undoubtedly differences of opinion, V. Shurchanov confirmed. The State Council wants to be fully independent, an autonomous branch of power. But at the moment the deputies are being offered voluntary-compulsory patronage. That is, working under the patronage of the presidential apparatus, on its payroll, with its property and its account. Then you will be "constructive" whether you like it or not....

Valentin Shurchanov is the first Communist in Russia since "black October" of 1993 to occupy such a high state post and not to have renounced communism. He is an electrical engineer by profession, he was born and grew up in Chuvashia, and he served in the army on Sakhalin, where he joined the CPSU in 1968. Before his election as chairman of the State Council, he worked in the "Greater Volga" economic association of oblasts and republics and at the same time headed the republic's 7,000-strong party organization. "I am not changing my beliefs, and I do not intend to quit the party," Valentin Sergeyevich told me in conclusion.

Tatar Statehood Protection Committee Formed

944F0886B Kazan IZVESTIYA TATARSTANA in Russian 2 Jul 94 p 2

[Article by Galina Grigorenko: "From 'Protection of the President' to 'Protection of Statehood'"]

[Text] **On 25 July in Kazan there was a conference of the Protection of the President of Tatarstan Committee, where a decision was adopted to rename this social organization the Committee for Protection of the Statehood of Tatarstan.**

The purpose of the committee's successor is to develop and strengthen the state sovereignty of the Republic of Tatarstan, a subject of international law associated with the Russian Federation and arranging its own relations on the basis of mutual agreements with equal rights. Among the basic tasks is to establish democratic institutions in the republic, to contribute to the introduction of a market economy with social protection of the people,

to develop the Tatar language to the level of the state language, to protect the institution of the presidency in the Republic of Tatarstan, and to observe the Human Rights Declaration.

One of the program objectives, the formation of the statehood of Tatarstan, must be attained not by a revolutionary but by an evolutionary path, which presupposes not the republic's isolation, but its integration into the Russian and world markets, and the strengthening of political and economic ties with other republics.

One can assume that the changing of the "sign" of this organization is related to the fact that in a couple of days in the Vakhitovskiy Court of Kazan hearings will begin on a civil case filed by the procurator of the Republic of Tatarstan, "On Repeal of the Laws Adopted on 1 February 1992 at the All-Tatar People's Kurultay, 'On the National Assembly,' and 'On People's Movements and Local Organs of the National Assembly.'" The defendants are the Ittifak Party, the Azatlyk Union of Tatar Youth, the VTOTs [expansion unknown], the national council, and the Committee for Protection of the President of Tatarstan.

But as the committee chairman Sania Akhmerova reported, the first proposals to rename the committee were made by members of the organization immediately after the signing of the agreement between Russia and Tatarstan. This step was justified by the fact that after the conclusion of such an important document, there was nothing threatening the institution of the presidency or the representative organs of power in Tatarstan, but the strengthening of the republic's statehood requires the most constant attention.

As for the forthcoming judicial investigation, in the opinion of S. Akhmerova, the committee's role in the development and adoption of the National Assembly documents was clearly exaggerated. Moreover, at its first congress, committee representatives expressed disagreement regarding a number of fundamental aspects, and they did not participate in the second one at all.

The chairman thinks that now the Committee for Protection of the Statehood of Tatarstan and the national movement in our republic are already experiencing a profound crisis. The stumbling stone was the agreement between Russia and Tatarstan, which makes practically no mention of the independence of the Republic of Tatarstan. But committee members are still more disturbed about the fact that the term "subject of international law" was consigned to oblivion. This circumstance also makes it impossible to approve the large-scale document "by 100 percent."

International Affairs

Pakistani Foreign Minister Holds Talks in Kiev

LD0707153694 Moscow INTERFAX in English 1309 GMT 7 Jul 94

[Text] Ukraine and Pakistan will sign a memorandum on cooperation on 7 July. During their meeting in Kiev on Wednesday Ukrainian Foreign Minister Anatoliy Zlenko and Pakistani Foreign Minister Sardar Asif Ahmad Ali reached an agreement on establishment of consular relations. In addition, the question is being discussed of Pakistan's aid as a go-between in the search for Ukrainian servicemen taken prisoners or missing during the war in Afghanistan.

During the talks with Vice Premier Valeriy Shmarov in the Ministry for Machine Construction, Military Industrial Complex and Conversion the parties decided to begin working on draft bilateral agreements on economic cooperation, mutual protection of investments, avoidance of dual taxation and about cargo transport by sea.

The issue on Ukraine's participation in serving and repairing military equipment bought by Pakistan from the ex-USSR was also discussed.

The trade turnover between Ukraine and Pakistan currently does not exceed $9.5 million a year (about $5 million for Ukraine's share and $4.5 million—Pakistan's share). Ukraine is mostly exporting to Pakistan chemical products, fertilizer, cement and energy equipment. Pakistan is selling to Ukraine leather, leather products and surgery equipment.

Ukrainian citizens are constructing electric power stations on Pakistani territory under the contracts concluded during Soviet times.

Views Nuclear Nonproliferation Issue

LD0707154594 Kiev UNIAR in Ukrainian 1420 GMT 7 Jul 94

[Text] Kiev, 7 Jul--Asif Ahmad Ali, foreign minister of the Islamic Republic of Pakistan, who is in Ukraine on his first official visit, has signed a joint memorandum on mutual understanding and cooperation between Ukraine and Pakistan. The document determines the main areas of cooperation and outlines ways of creating a legal and contractual foundation of bilateral relations.

Ukraine and Pakistan are preparing to sign a number of agreements, including ones on trade and economic cooperation, mutual protection of investments, shipping, and air transport. [passage indistinct] Ukrainian Foreign Minister Anatoliy Zlenko said the priority areas in cooperation with Pakistan are the metallurgical, chemical, oil, and textile industries, and agriculture.

Speaking to journalists, Asif Ali expressed the hope that his visit will usher in a "new era in the development of relations between our countries." Thus, tentative agreement has been reached about opening a Pakistani diplomatic mission in Ukraine. During talks with his Ukrainian counterpart, Ali pointed out that some of the main issues of his visit to Ukraine concern nuclear arms nonproliferation in the Asian region and the deployment of India's long-range missiles there, a fact which is a subject of concern for the Pakistani side.

Asked by UNIAN whether Pakistan plans to join the Nuclear Nonproliferation Treaty and what Pakistan's official attitude is toward Ukraine's position on the issue, Ali said: "Despite having the technical capability to produce nuclear arms, our country has taken a national decision not to produce them. We believe in the cause of nuclear nonproliferation in the Asian region. But having India as our neighbor and having been a victim of aggression three times, we are concerned about our security and therefore, cannot take such obligations unilaterally." Asif Ali refrained from commenting on Ukraine's nonaccession to the Nuclear Nonproliferation Treaty, saying that Ukraine has to make its own decisions on such issues.

Zlenko, Ali Hold News Conference

LD0807101394 Kiev Radio Ukraine World Service in English 0000 GMT 8 Jul 94

[Text] On 7 July, Pakistani Foreign Minister Sardar Asif Ali and his Ukrainian counterpart Anatoliy Zlenko held a joint press conference in Kiev to sum up Ali's official visit to Ukraine, which had brought him to talks with Premier Minister Vitaliy Masol, Vice Prime Minister Valeriy Shmarov, Foreign Minister Anatoliy Zlenko, and Minister for Foreign Economic Relations Oleh Slyepichev.

Zlenko noted Pakistan's important strategic position in both Asia and the Pacific rim and Ukraine's vision of Pakistan as a major partner there. The Ukrainian foreign minister singled out as particular topical the issue of laying a solid legal agreement foundation for Pakistani-Ukrainian relations and evolving adequate information communication structures. As Zlenko tipped off, a bilateral agreement has been [word indistinct] on Pakistani-Ukrainian cooperation in merchant shipping and air communication.

Ali referred to his visit to Ukraine as very successful and voiced the hope for furthering Pakistani-Ukrainian bilateral relations. Replying to journalists' questions, the Pakistani foreign minister pledged his government's support for the Ukrainian-Afghan war POW's repatriation.

Kravchuk, Yeltsin Discuss G-7 Summit Issues

LD0707173194 Kiev UT-1 Television Network in Ukrainian 1600 GMT 7 Jul 94

[Text] The press service of the Ukrainian president has reported that Ukrainian President Leonid Kravchuk and

Russian President Boris Yeltsin had a telephone conversation today, during the course of which they discussed issues associated with the Russian president's participation in the G-7 meeting in Naples.

The Russian president who, in particular, was elected chairman of the CIS heads of state council until the end of this year, expressed his readiness to back Ukraine's position in discussions by participants in the meeting on Ukraine's energy problem.

Presidents Leonid Kravchuk and Boris Yeltsin also addressed other questions, including the internal political situation in Ukraine and Russia and the prospects for further developing Ukrainian-Russian relations.

Zlenko Pins Great Hopes on G-7 Summit

AU0707203394 Kiev HOLOS UKRAYINY in Ukrainian 6 Jul 94 p 3

[News conference by Ukraine's foreign minister Anatoliy Maksymovych Zlenko with unidentified Ukrainian journalists; material prepared by Volodymyr Skachko; place and date not given: "G-7 Will Consider the 'Ukrainian Question'"]

[Text] As is known, on 8 through 10 July 1994, a scheduled conference of the leaders of the seven most advanced industrial countries will take place in Naples. They will consider the question of providing economic assistance to Ukraine.

For the first time, with the assistance of the "Nova Mova" International Mass Media Center and the "Rebirth" [Vidrodzhennya] Fund, Ukrainian journalists will be admitted there. Before the flight to Italy, Ukraine's foreign minister Anatoliy Zlenko met with them and agreed to comment upon some aspects of the G-7 conference.

[Question] Anatoliy Maksymovych, for the first time at a session of leaders of the G-7 countries, the "Ukrainian question" will be discussed as a separate issue. What, in your opinion, is the reason for the special attention focused on Ukraine by the world's leading industrial states?

[Zlenko] The development of mutually advantageous cooperation with the G-7 states is of prime significance for Ukraine and is a necessary condition for achieving Ukraine's goal—joining the world community on an equal basis. On the other hand, Ukraine's present geopolitical situation is such that its maintenance as a sovereign and economically strong state is one of the important factors in preserving peace and stability on the European Continent and constitutes a guarantee against restoration and domination of any superpower in the region. It is, therefore, possible to assert with confidence that a serious political and economic support of given to Ukraine by the West may become a reliable "investment" in guaranteeing its own security.

[Question] To what extent, do you think, the West will take into account Ukraine's needs in aid for resolving the problems of nuclear power engineering and implementing economic reforms? What diplomatic work did Ukraine conduct so that the G-7 countries would heed our voice?

[Zlenko] I am convinced that Ukraine's power structures have the political desire to proceed along the road of democratic transformations in society and strive to speed up market reforms in the economy. However, there exist certain problems of domestic political development that hamper the implementation of these intentions. The difficulties in resolving these problems are also due to the temporizing position regarding the course of reforms in our country that the West adopts in its attitude to our state. That is why I believe that it is extremely important to provide assistance to Ukraine not after, but concomitantly with, its implementation of political and economic reforms.

Ukraine is interested in developing cooperation with the G-7 and would be grateful for assistance in such spheres as hard currency credits, investments, trade, technological assistance, and conversion. More specifically, our state needs assistance from international financial organizations to create a stabilization fund for the new national monetary unit [hryvnya]. Also important is the support of G-7 banks in granting credits for restructuring in order to prepare Ukrainian products for future export, mitigate the negative social consequences of implementing market-type economic reforms, accomplish measures for social protection of the population. Goal-oriented crediting and postponement of the repayment of Ukraine's debts are also necessary.

In the sphere of trade, we are counting on political support for our state to join GATT and the World Trade Organization, as well as technological and consultative assistance to prepare the Memorandum on Ukraine's External Trade Conditions, including legal expert analysis of Ukraine's national legislation actions. This may involve granting Ukraine permanent status as beneficiary of the General System of Preferences, promoting the elaboration of Ukraine's antidumping code, revising antidumping measures against Ukrainian goods, and maintaining preferential Customs terms for Ukrainian goods and extending them to those goods that are "sensitive" for the country—steel products, textile, and products of chemical industry.

In the sphere of conversion, foreign investments are essential to fulfill specific programs for the organization of production of civilian products at Ukrainian enterprises; provision of financial assistance for the adaptation and accommodation of servicemen who have been dismissed as a result of the reduction in the Armed Forces; restoration of land and implementation of ecological measures associated with the elimination of nuclear missile weapons; training and provision of practical experience for Ukrainian specialists in the sphere of

the economy and management, in conformity with the requirements of the market economy.

On the eve of the meeting of the G-7 leaders, the news of the European Council's decision to grant us assistance amounting to 500,000 ECU for in order to overcome the grave consequences of the Chernobyl catastrophe and resolve problems of alternative energy provision for Ukraine in connection with closing down the Chernobyl Atomic Electric Power Plant [AES], was received with gratitude in Ukraine. We regard this good initiative as the first significant step in providing large-scale assistance to Ukraine. The resolution of social problems arising from closing down the Chernobyl AES is becoming acute for our state. These problems include evacuation and employment of those people who worked at the Chernobyl AES, and also reprofiling the available infrastructure in the Chernobyl zone and directly in the town of Slavutych.

The protection of public health is an important problem for Ukraine. Today, we urgently need credits in order to radically modernize available capacities and create new capacities of our own, including joint production of medicines, without giving up the possibility of creating joint ventures, through the provision of technology, equipment, and some types of raw materials by the G-7 states.

Resolution of these problems is gaining prime significance for Ukraine and, consequently, for Ukrainian diplomacy. We managed to see to it that the mass media of leading Western states and official circles of those states no longer regard Ukraine as a nuclear monster that does not want to disarm, or as a stronghold of totalitarianism that is not worth helping because no economic reforms whatsoever are implemented there. It may be stated today that serious changes are taking place in the policy of the West with regard to Ukraine. Ukraine's constructive and stabilizing role in the region not only receives great appreciation and understanding, but also concrete support on the part of major Western states. Ukrainian diplomats have also contributed to this, and we, therefore, hope that our voice will also be heeded in Naples at the G-7 conference, where the "Ukrainian question" will be discussed.

[Question] Isn't there a danger that recent statements by many influential Ukrainian parliamentarians on the revision of the statement by the presidents of Ukraine, the United States, and Russia may have a negative effect on the decisions of the G-7 countries?

[Zlenko] Certainly, it would have been much easier for Ukraine to overcome the difficulties of the transition period if it had existed in a more or less favorable economic and political atmosphere. Unfortunately, since the declaration of its independence, Ukraine has not enjoyed such an atmosphere. There is a sequence of factors here. One of them is, clearly, the nuclear issue. I must say that the signing in Moscow of the Tripartite Statement by the presidents of Ukraine, the United States, and Russia opened up the road toward more extensive cooperation between Ukraine and leading countries of the world. To put it differently, nuclear weapons ceased to be the "sword of Damocles" that seemed to have prevailed over relations between Ukraine and the world. That is why any attempt to revise Ukraine's striving to get rid of nuclear weapons will erase all those positive steps that have been made over recent months and undermine the comprehensive program for Ukraine's cooperation with other countries. Steps aimed at revising the Moscow statement will have very negative consequences. This must be clearly realized.

[Question] The Russian president will undoubtedly take part in discussing a number of problems with leaders of the G-7 states. How can this affect the resolution of Ukrainian problems by leaders of the world's leading industrial states?

[Zlenko] Until 1994, the provision of assistance to post-communist countries by the West was limited to Russia. We understand the West's approach according to which Russia is regarded as the most important country in the post-communist world. In Ukraine, this is understood, perhaps, even better than anywhere else because we are Russia's neighbors, and every event there has a greater influence upon the situation in Ukraine, than upon the situation in the West. However, the lack of balance in Western aid and its orientation exclusively in favor of Russia did not bring about a justification of the expectations that it would be possible to turn Russia into an exemplary democratic country with a market economy. It is very difficult to orient any country of the post-communist world, and especially one with such a great burden of the past as Russia, to a market democracy. Here, Western aid will hardly play a decisive role. On the other hand, the West's orientation exclusively toward Russia had a negative psychological and political effect upon other post-communist countries. It must be taken into account that such a situation subconsciously fortified the moods of "jealousy," if not anti-Russian sentiments. This also to a certain extent complicated relations between other Eastern European states and Russia. Is this what the West wants to achieve? At present, the situation has changed. In Naples, at the G-7 conference, the question "either—or" will not be on the agenda. Either to help Russia or Ukraine. Ukraine and Russia face identical problems. That is why we must act jointly. This is our position.

[Question] How do you personally assess the fact that the "Ukrainian question" will be discussed at the G-7 conference in Naples?

[Zlenko] A specific road has been covered prior to Naples. It started in Tokyo, where, let me remind you, the G-7's general attitude toward cooperation with Ukraine was voiced. Putting the "Ukrainian question" on the agenda at the Naples conference shows that Ukraine is viewed as a country that pursues a consistent,

well-balanced, and predictable external policy; this enables it to join the world community in a civilized manner.

Naples is the crossroads that opens up the road toward normal cooperation with all countries, since decisions of the G-7 leaders will have great political significance for determining the international community's attitude toward our domestic and foreign policy and toward our state in general.

Minister Claims $4-$6 Billion Needed for Chernobyl Closure

AU0707174694 Paris AFP in English 1659 GMT 7 Jul 94

[Text] Kiev, 7 July (AFP)—Ukraine's minister for nuclear energy, Mikhail Umaniets, on Thursday [7 July] insisted that between $4-$6 billion would be needed to close the Chernobyl nuclear plant.

Umaniets also criticised western plans providing for the closure of the plant which caused the world's worst nuclear accident in 1986, as leaders of the main industrialised countries prepared to discuss the issue at a three-day summit in Naples, Italy from Friday.

Umaniets, who is chairman of the Ukrainian nuclear energy committee with ministerial rank, told a news conference that "it will take at least 25 years to close Chernobyl," detailing the western investments that he said would be necessary.

European Union ministers meeting on the Greek island of Corfu last month pledged some $600 million to help finance the closure, much less than the $2 to $14 billion estimates mentioned by Ukrainian officials.

The leaders of Britain, Canada, France, Germany, Japan, Italy, and the United States, to be joined by Russian President Boris Yeltsin, will be considering ways of raising more money to fund the closure, or other ways of persuading Kiev to shut the plant down.

Ukraine's President Leonid Kravchuk has said on several occasions that the plant cannot be closed until the debt-ridden former Soviet state's chronic energy problems are solved.

He has even signed a decree authorizing the reopening of the plant's number 2 reactor, shut down after a serious fire in 1991. Reactors 1 and 3 are currently functioning.

Umaniets called for seven new reactors of 1,000 megawatts to be built to replace the energy from Chernobyl, including two near the existing plant.

It would cost $2 billion to construct the new reactors at Slavutich, located inside the radiation-contaminated zone around Chernobyl, where 30,000 nuclear workers live, he said

Two more billion over 10 years would have to be spend on shutting down reactors number 1 and 3 at Chernobyl. And between 800 million and two billion dollars would be needed to reconstruct the concrete sarcophagus entombing the stricken number four reactor which exploded in April 1986, sending a plume of radiation over Europe.

Like Kravchuk and Ukrainian Environment Minister Yuri Kostenko, Umaniets strongly criticised the western plan to be studied by the G-7.

The plan provides for three new reactors to come on stream in Ukraine at Khmelnitski, Rovno et Zaporozhiye, but Umaniets said: "Let those (in the West) who want to close Chernobyl realise that new reactors must be constructed near the plant."

The debate over closing Chernobyl has intensified ahead of Sunday's second round of the Ukrainian presidential elections, in which Kravchuk is being challenged by his former prime minister, Leonid Kuchma.

French Minister Stresses Need To Close Chernobyl AES

AU0707201594 Kiev HOLOS UKRAYINY in Ukrainian 6 Jul 94 p 1

[Unattributed report: "Atomic Electric Power Plants [AES] Present Danger for the Whole Europe"]

[Text] On 4 July, in the French Embassy of Ukraine, Michel Barnier, French minister of environmental protection, held a news conference summing up his two-day visit to Ukraine. According to him, the aim of the visit was to brief the leadership of our state on the plan for assistance to eliminate the consequences of the accident at the Chernobyl AES. The minister had meetings with Ukraine's prime minister V. Masol, vice prime minister V. Shmarov, and minister of environmental protection Yu. Kostenko. He said that the plan will be considered at the forthcoming G-7 conference in Naples. Thus, there are grounds to hope that other G-7 states will also join the French and German initiative. As regards concrete French assistance, it will start after Ukraine specifies its needs and proposes realistic projects. He understands that the Chernobyl AES must be closed down and that all such AES's must be regarded with special concern. They are not only dangerous for Ukraine, but also for all of Europe.

National Affairs

Kravchuk Expresses Concern Over Supreme Council Actions

LD0707185894 Kiev UNIAN in Ukrainian 1700 GMT 7 Jul 94

[Text] Kiev—At the city's Chief Internal Affairs Directorate on 7 July, Ukrainian President Leonid Kravchuk met staff of the Internal Affairs Ministry, Security Service, National Guard, Border Troops, and Customs Directorate. Speaking to these representatives of

Ukraine's power-wielding structures after looking over some of the most up-to-date weapons systems, Kravchuk expressed his concern over developments in the Supreme Council. "After two months of work, not a single law has been passed by parliament, while there are documents in need of immediate approval on the organization of authorities and their powers locally, as well as some relating to socioeconomic development."

Certain groupings of deputies and their leaders, in Kravchuk's words, are seeking to engage in politics rather than in making laws. It is exactly for political reasons, he believes, that the question of the Blasco-ChMP joint stock company was repeatedly under consideration, despite Prime Minister Vitaliy Masol's request to postpone the date of the debate on that issue until the end of July, as this was precisely when the government and the procuracy were planning to provide the relevant documents. Deputies, in the president's view, are trying to blame him in this way for setting up that concern and are, therefore, grossly violating the law on elections, which bans campaigning several days before the presidential election on behalf of candidates for the post of the head of state.

"As a matter of fact, the worst traditions from the times of Communist Party rule are being shifted to the rostrum of the Supreme Council, with the aim of political victimization," Kravchuk said. According to Kravchuk, if this continues, "law will again be trampled, the Constitution will only be a drop cloth, and everything will be decided as the party decides at its plenums."

The president reported that he imposed a veto on one of the laws passed by the parliament because it contained dozens of violations: "I have enough data to assert the following: This may become dangerous if these processes are not stopped."

Assessing the style of the Supreme Council's work, Kravchuk, in particular, pointed out: "When the issue on cancelling the already ratified trilateral statement on removing nuclear weapons from Ukraine's territory—which has been read by the world with fear and hope, and which deals with the global issues of society's development—is put to a verbal vote, a deputy may bring all of Ukraine to its knees and disgrace himself from the very first steps."

Prime Minister Appoints New Cabinet Ministers

LD0707200794 Moscow ITAR-TASS in English 1927 GMT 7 Jul 94

[By ITAR-TASS correspondent Alexey Petrunya]

[Text] Kiev July 7 TASS—After abolishing four departments of the Cabinet of Ministers, numbering 159 staffers, Ukrainian Prime Minister Vitaliy Masol got down to formation of his own team.

He appointed Yevgeniy Marchuk, former Security Service head, his deputy in charge for power ministries and agencies. Masol's First Deputy Petro Hermanchuk replaced Grigoriy Pyatachenko at the post of finance minister. Nikolay Shulga was named minister for nationalities and migration, and Vladimir Maltsev became health care minister.

Certain reshuffles are also expected within the Interior Ministry. A deputy chairman of the Security Service is favoured to head this ministry.

Vasiliy Yevtukhov and Nikolay Zhilinskiy are the only old deputy prime ministers remaining their posts in the newly-formed cabinet. The other vice-premiers, who are mostly people's deputies, chose to go in for politics. Acting Prime Minister Yefim Zvyagilsky sent in resignation because of switching jobs. According to some sources, he will probably named an ambassador to a European country.

Presidential Directive Appoints New Finance Minister

LD0707181394 Kiev UT-1 Television Network in Ukrainian 1600 GMT 7 Jul 94

[Text] A Ukrainian presidential directive has appointed Petro Kuzmovych Hermanchuk as Ukraine's finance minister. Another presidential directive has relieved Hryhoriy Oleksandrovych Pyatachenko from the post of Ukraine's finance minister in connection with his retirement.

Zlenko Says Kuchma Lacks 'Realistic Foreign Policy'

LD0707182794 Moscow INTERFAX in English 1603 GMT 7 Jul 94

[Text] The Ukrainian Foreign Minister Anatoliy Zlenko has strongly criticized the Ukrainian presidential candidate Leonid Kuchma for accusing the Ukrainian foreign ministry of having no realistic foreign policy doctrine.

In an interview with the Novosti newspaper Kuchma said that Ukraine did not have a foreign policy. He argued that the Ukrainian foreign ministry had recently made a number of crude strategic mistakes. Among these he named the excessive reliance on the United States to the detriment of relations with Germany and other European partners, a insufficiently tough stand in the field of nuclear disarmament and Ukraine's participation in the peace-keeping force in Yugoslavia.

Kuchma likened the presence of Soviet troops in Afghanistan with the peace-keeping force in Bosnia-Herzegovina.

Anatoliy Zlenko told a news conference in Moscow Thursday that "Leonid Kuchma must have been 'framed' by his closest advisers or those who seek to take advisers' jobs."

He said that the authors of the article in the newspaper had a very shallow understanding of foreign policy doctrine and foreign policy activity in general.

Zlenko said that foreign policy was a very delicate fragile and intricate system of relationships and that system could be easily upset by incompetent and prejudiced moves harmful to state interests.

Crimean Vice Premier on Relations With Kiev

PM0707150394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Jul 94 p 2

[Interview with Crimean Vice Premier Yevgeniy Saburov by Sergey Frolov: "Yevgeniy Saburov: Kravchuk Has Made Very Clever Use of the Situation in Crimea"]

[Text] Crimea has always been a point of departure for Russia: It was from there that Christianity spread, it was there that our state's main military and geopolitical tasks were tackled, and it was thence that the Russia we lost went into exile and oblivion. Who knows, maybe there, on that ravaged peninsula, we will see the start of a revival of the former might—indeed, it is no accident that both Moscow and Kiev are keeping such a close eye on what is happening in Crimea.

One of those who is most talked about in the two Slav capitals is Crimean Government Vice Premier Yevgeniy Saburov, a 48-year-old Moscow economist and former member of the Russian Government who has returned to the area where he was born and grew up, returned to assist its revival.

[Frolov] Yevgeniy Fedorovich, what kind of misfortune has befallen Crimea this year?

[Saburov] Unfortunately, I have to say that the press is a power, and not always the fourth power. And when a group of people acquires real power, it always wants to show it. But what is the easiest way to do this? To ban something, of course. This year the Moscow and Ukrainian press has banned us from operating the resorts. It even got to the point where Crimea was compared to Abkhazia...

[Frolov] Do you think all this hysteria was provoked by Kravchuk in order to teach the rebellious peninsula a lesson?

[Saburov] No, he did not create the situation—Kravchuk just knew how to make clever use of it. Everyone is calling us separatists, but did you know that Western Ukraine produced a tougher federation demand than Crimea? As soon as Crimea mentioned its own constitution, Kravchuk immediately assumed the role of "father of the nation," directed all the "people's wrath" at us, and, at the same time, put the Lvov separatists in their place.

[Frolov] On local television I heard it seriously suggested that there was a conspiracy against Crimea on the part of Krasnodar tourist firms, which had set in motion in the Russian press the scandal over the "war in Simferopol"...

[Saburov] Of course, it is absurd to talk of a deliberate "conspiracy," but, certainly, there are officials in Russia who feed off tour operators in the Sochi region. It is in their interests to scare off Crimean vacationers, rare as they are nowadays. But they are not the ones who are responsible for the current hysteria...

[Frolow] Then who is?

[Saburov] Strange as it may seem, it is certain central publications that are coming to Crimea and adding fuel to the fire.

There are publications that support Yegor Gaydar, advocate of an isolationist policy for Russia. According to Gaydar, the less attention Russia pays to the near abroad, the better it will be for it. Therefore banner headlines like "Barricades in Crimea," in my opinion, fit perfectly the concept of newspapers that are totally indifferent toward the peninsula's inhabitants.

[Frolov] But Kiev knows too that the rumors of barricades and skirmishes are untrue. Why does it not deny them?

[Saburov] It is very difficult working with Kiev anyway. What you find, you see, is a sophisticated combination of oriental cunning and old Central Committee guile.... Most people there have no idea what a rule-of-law state is. The Ukrainian authorities' behavior can be compared to that of a slave who does not want just to be free: He absolutely must be the master and take revenge on someone for what happened to him in the past. Hence its treatment of Crimea as a colony and hence its failure to acknowledge that the peninsula has any rights, and the senseless, forcible Ukrainianization: It is incredible that they will only supply our schools with textbooks in Ukrainian! And all that medieval discussion about: "To whom does Crimea belong?"

[Frolov] The Crimeans' wish to be independent of Ukraine, which they were assigned to like a feudal village in 1954, is perfectly understandable and perfectly just. But look how obstinately the West Ukrainian nationalists are clinging to the thesis of the inviolability of borders—is this conflict going to lead to a Serbian scenario?

[Saburov] I don't think it is an entirely apt example. The Serbian scenario is a model for changing borders by 21st century methods. The inviolability of borders slogan is one that is chanted by not very smart politicians. Particularly as borders will change in postwar Europe anyway. It seems to me we are on the threshold of a second Yalta Conference. If you recall, at the first conference the leaders of the anti-Hitler coalition agreed to divide up spheres of influence along social lines, acknowledging the existence of different political systems. There are different centers of gravity in Europe today which have

nothing to do with political systems. Sometimes I even feel sorry for today's diplomats, who are bereft of a contemporary theory of the division of the world. That is why their main methods are those of the 19th century.

[Frolov] In the 19th century states formed blocs along ethnic lines. In the 20th century it was along social lines, but what about the next century?

[Saburov] In the next century it will be along cultural lines. Then this symbolic Yalta Conference will bring together not leaders of states, who are incapable of comprehending global changes, but philosophers, scholars, and religious figures.

[Frolov] It is probably too early to talk about the results of your cabinet's work.

[Saburov] There has been one result: We managed to prevent production in the peninsula from coming to a halt. As a result of the Crimean president's edict on currency regulation there have already been investments in communications.

[Frolov] Incidentally, one businessman I know in Dnepropetrovsk recently complained about the "decay of Kiev economic policy." "If Meshkov's edicts work in Crimea, an offshore enterprise will have to be opened there," he said.

[Saburov] I think he will have to hurry: Ukrainian firms are already starting to open up branches here. And we are happy for anyone to invest in Crimea. Ideally, there should be competition with Ukraine in this sphere—to see who can attract more investors.

[Frolov] But this ideal is still a long way off....

[Saburov] Unfortunately, Ukraine is still too much of a communist country and it is only just coming into being as a state. Its rulers still set great store by personal connections and their own interests.

[Frolov] Are there really no people at all in Kiev with whom you can work constructively?

[Saburov] Why? There are decent people in the Ukrainian Government and I understand and sympathize with what they are doing—I am not going to name them. But most of the people in Kiev are people whose era ended a long time ago.

[Frolov] Are there people in Moscow who sympathize with you?

[Saburov] I have many friends in the Russian Government. But you must understand that a statesman has a special way of thinking. He has to do what benefits his government. For the moment Russian policy is generally opposed to Crimean independence. If the policy changes, attitudes will change too.

Crimean, Ukrainian Talks Viewed as 'Meaningful'

LD0707204294 Moscow INTERFAX in English 1843 GMT 7 Jul 94

[Text] At consultations in Kiev parliamentary delegates from Ukraine and Crimea on Thursday discussed ways of bringing in line the Constitution of Crimea with the Constitution of Ukraine and the legal conflict between the Crimean Interior Ministry and the chief department of the Ukrainian Interior Ministry for Crimea.

The deputy speaker of the Ukrainian parliament Oleg Dyomin told Interfax-Ukraine that the negotiators "formulated guidelines for further conduct."

He said the discussion was meaningful. The situation was discussed in detail, including the relationship between the two parliaments.

The deputy commander of the Black Sea Fleet, chairman of the Crimean parliament's military affairs commission Aleksandr Frolov told Interfax-Ukraine that there was a great desire on both sides to iron out differences and forge understanding.

The chairman of the legal policies commission of the Ukrainian Parliament Vladimir Stretovich said that another round of Ukrainian- Crimean talks would take place next week.

The Crimean parliamentary delegates left for Simferopol on July 7.

'Criminal Groupings' Seen Behind Spate of Crimea Killings

PM0707142194 Moscow KRASNAYA ZVEZDA in Russian 5 Jul 94 p 3

[Report by Vladimir Pasyakin: "Crimea: Is the Mafia Struggling for Power Too? Criminal Groupings Have Mounted Unprecedented Combat Operations in the Streets of the Peninsula's Cities and Settlements"]

[Text] Sevastopol—...The first to die was the well-known Simferopol entrepreneur Viktor Bashmakov. The next were his friends and colleagues who gathered 29 June for their companion's wake in the Kalinka Restaurant in the settlement of Gresovskiy near Simferopol. At about 1500 hours, when they started coming out into the street, a young man approached Yevgeniy Podanev, chairman of the Christian Liberal Party of Crimea, and killed the father of three children with a pistol shot at point-blank range, paying no attention to the dozens of people present. Shots at once rang out from various directions, as though at a command. The result: four dead and four wounded, including a 10-year-old boy who happened to be near the restaurant. The criminals vanished from the scene of the carnage, abandoning an assault rifle, a pistol, and three motor vehicles.

The people of Crimea had not had time to discuss that event before a new extraordinary occurrence happened.

This time in Sevastopol. During the night of 3-4 July city folk were awakened by six explosions—outside the Rossiya Movie Theater, in Heroes of Brest Street, outside the Construction Workers' Palace of Culture.... By sheer luck nobody was hurt.

No one is yet able to say what has caused the spate of armed actions by criminal groupings. The public relations center of the city of Sevastopol makes do with the traditional statement "an investigation is under way." But it is already clear today that political instability in Crimea patently benefits various mafia structures.

Crimean Parliament Approves Economic Reform Program 1994-98

LD0707215994 Moscow ITAR-TASS World Service in Russian 1755 GMT 7 Jul 94

[By UKRINFORM correspondent Lev Ryabchikov for TASS]

[Text] Simferopol, 7 Jul—Presenting a program today for economic reforms in 1994-98 at a session of the Republic of Crimea's parliament, Crimean Economics Minister Aleksey Chernyavskiy stated that the government is proposing a stage-by-stage implementation of reforms. In the first stage, until the middle of next year, the task is being set for creating the prerequisites for the restructuring of the economy, stabilizing the volume of production output, stimulating the growth of production in priority areas of the national economy, providing targeted subsidies for the underprivileged sections of the population, and beginning wide-scale privatization with consideration for the specifics of the region. The success of the reforms, the minister stated, depends on the level of Crimea's relations with Ukraine and with Russia.

First and foremost, in the government's view it is essential to reform banking and see that the National Bank of Ukraine provide the republic's bank with greater independence, assigning it in particular the right to issue licences for operating in foreign currency and to regulate the level of credit interest rates. The minister unequivocally stated that Crimea's entry into the ruble zone, which was promised in the election program of the Russia bloc, is not foreseen.

Parliament approved this reform program and instructed the government within one month to draw up draft normative and legislative acts providing for its implementation.

The deputies of Crimea's Supreme Council today adopted the first reading of a law on the republic's militia. The standing commissions, which will continue work on it, have been recommended to rely on the experience of the legislators of the Russian Federation, Tatarstan, and Chuvashia.

Kuchma Claims Government Stops Production Slump

LD0807083694 Moscow ITAR-TASS in English 0736 GMT 8 Jul 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev July 8 TASS—"The main achievement of my government consists in that we managed to stop an irreparable slump in production last year under external inflation," Ukraine's presidential candidate Leonid Kuchma said in a live televised debate on Thursday night.

Kuchma reminded Ukrainian voters that since last year's spring, when Ukraine and Russia failed to coordinate prices for energy resources, "our neighbours raised oil and gas prices several thousand-fold within just six months."

In his opinion, the inflation was natural, but the government managed to confine the slump in production to just seven percent compared to a 40 percent slump in production registered this year. "Hidden" unemployment exceeds 44 percent now.

Given the data, Kuchma drew the conclusion that "Ukraine has lost much because of unwise measures taken in the field of cooperation with foreign partners.

In his opinion, "Ukraine has no future without access to state- of-the-art western technologies". Ukraine should cooperate with western countries without turning into a mere source of raw materials for them, he explained.

"If we look at the exports of the CIS member states, including Russia and Ukraine, then we shall see that these are mostly raw materials. But that is a path to nowhere," Kuchma said.

Cabinet of Ministers Approves Odessa Economic Zone Project

LD0707135394 Kiev UNIAN in Ukrainian 1130 GMT 7 Jul 94

[Text] Odessa—The project for setting up a free economic zone in the city, involving also seven ports in Odessa Oblast, is to go ahead. The European Bank for Reconstruction and Development has concluded successful negotiations with the national agency for international cooperation and investments at the Cabinet of Ministers and agreed to guarantee investments into the zone's units and infrastructure. This was confirmed on 6 July by the executive secretary of the preparatory committee for Odessa free economic zone, Vadym Rashkovskyy. "The Government of Ukraine has approved the program of setting up the free economic zone," he added, "which means we will begin its practical implementation before the end of the year."

Kravchuk Pledges Further Social Guarantees to Kiev Troops

LD0707175594 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 7 Jul 94

[Text] Servicemen of the Kiev military garrison and Ukraine's President Leonid Kravchuk—the supreme commander of Ukraine's Armed Forces—had a meeting at the Academy of the Armed Forces of Ukraine. Correspondent Marat Pohorelov filed this report.

[Pohorelov] The president analyzed in-depth the socio-economic and political situation in Ukraine, present-day relations with the countries of the former USSR—Russia, first and foremost. The supreme commander assessed the processes taking place during the course of building the Ukrainian Armed Forces. In particular, he said:

[Begin Kravchuk recording] I will not mention those, let us say, important things, those new things that emerged within the Ukrainian Armed Forces. Strictly speaking they have been created here, and they have been created on the basis of law. Of course, there are problems of, for example, changing over to a military service on a contractual basis, doing this gradually. I believe this will allow the professionalism of personnel to be stepped up. But this will not be done as quickly as we would like.

A problem emerged with the two-year-long term of military service. It is abnormal that, for example, today only 10 percent of the draftees do their military service. But such are the laws that were adopted. They will be amended, we have prepared for this purpose...[pauses] But at present we just cannot bring military units up to strength. We will not do without training military personnel, I believe this is clear, and what is more, we will not do without training highly professional military personnel.

As of 1 September, the training of officers at strategic and tactical levels will get under way at the Academy of the Armed Forces of Ukraine. It is here, on these premises.

The system of subordination of military educational establishments will be reorganized. This will allow commanders and chiefs to train specialists for the troops directly subordinated to them.

There is a budget problem, a very acute problem, an extremely acute problem. We have a program for building the Armed Forces till the year 2010, and it envisages relevant financial security. We have been considering it. However, today, when the budget revenues, I stress this, amount to 50 percent and we have no budget revenues in 1994, it is clear that the share that is required for the Armed Forces, to provide them in full measure, cannot be allocated. Therefore, it is necessary to look for other ways, other sources, and other possibilities.

As far as military hardware is concerned, the Armed Forces are supplied with 85-98 percent, depending on the trend. But this does not mean anything because this hardware has become obsolete and needs replacement.

Money is necessary to finance science, to finance those plants of the military-industrial complex that manufacture hardware. But, I repeat this, despite all the economic hardships of this period we managed to ensure the fighting efficiency of the Ukrainian troops. This is true. [end recording]

[Pohorelov] Kravchuk reminded the participants of the meeting of the privileges recently granted to servicemen, dwelled on what would be done toward their further social protection. Then the president answered numerous questions from officers.

Rules Out War If Kuchma Wins Presidency

LD0807084294 Moscow ITAR-TASS in English 0644 GMT 8 Jul 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev July 8 TASS—"I have always said and will keep on saying that Leonid Kravchuk is an outstanding politician. He became the first president of independent Ukraine and should remain as such in the history of our country," Leonid Kuchma, presidential candidate, said in a live televised debate late on Thursday night.

He wished if Kravchuk is to win the presidential elections that he analyze the successes and mistakes he made during his presidency.

For his part, Kravchuk refuted allegations that should Kuchma become president, a war will break out in Ukraine.

"I do not share this point of view. Obviously, new president cannot copy the actions of his predecessor. (Kuchma's) first moves in this capacity may possibly evoke some discontent in the society, but a war is out of the question," said Kravchuk.

Pledges To 'Pursue Reforms'

LD0807062694 Moscow ITAR-TASS in English 0614 GMT 8 Jul 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev July 8 TASS—"If I am elected the Ukrainian president again, I shall pursue reforms more resolutely and persistently," said a candidate to the Ukrainian presidency Leonid Kravchuk, during television debates broadcast last night. Kravchuk admitted that reforms in the country are going ahead very slowly, encountering numerous difficulties.

In Kravchuk's opinion, the main barrier impeding the reform in the absence of a clear-cut way of carrying out

the reforms. There are forces which try to halt reforms altogether, Kravchuk said. "There is no concept of reforms in the country, but what is more important, there is no unanimity on this matter," Kravchuk said. He believes that this uncertainty will remain for some time, since the parliament has not adopted fundamental legislative acts yet.

Kravchuk admitted that the parliament had neither adopted a law on power, nor determined the powers of local governments. At the same time, elections of all branches of power are being held in Ukraine, he said. "If the parliament continues to deal with political matters only, ignoring legislative acts, the consequences will be hard on us," Kravchuk said.

Communists, Socialists Support Neither Kuchma, Kravchuk

LD0707133494 Kiev UNIAN in Ukrainian 1130 GMT 7 Jul 94

[Text] Donetsk—A plenum of the Communist Party of Ukraine [CPU] oblast committee met on 7 July to discuss candidates in the election of the Ukrainian president and oblast council chairman. After the meeting, first secretary of the CPU oblast committee Heorhiy Buyko told a press conference that Communists would not support either Leonid Kravchuk or Leonid Kuchma in the 10 July election. However, while they will vigorously oppose the former, they will be merely passive towards the latter.

Buyko said: "We support Leonid Kuchma only on certain points where his program coincides with the Communist one, but we have many differences. First, we differ on the attitude to councils as popular government bodies, since Kuchma stands for strong presidential powers. Second, we believe that land cannot be bought and sold. Thirdly, he pledges to close down all loss-making mines in Donbass and 80 percent of the region's machine-building complex. We believe there are almost no loss-making mines, and Ukraine needs coal."

Although neither of the candidates in the oblast council chairman election, Volodymyr Shcherban and Volodymyr Lohvynenko, are communists, Heorhiy Buyko said the CPU preferred the latter, believing his program to be more realistic.

Today, UNIAN asked a member of the Ukrainian Socialist party [SPU] political council, Oleh Rybakov, about the socialists' choice of presidential candidate. Rybakov, too, said the SPU did not support either of the two, although the Socialist Party's attitude to Leonid Kravchuk and Leonid Kuchma was tougher than that of the Communists.

Khmelnitsk Nuclear Power Plant Stopped 'Temporarily'

LD0707155094 Moscow ITAR-TASS in English 1447 GMT 7 Jul 94

[Report by UKRINFORM-TASS correspondent Vladimir Shevchenko]

[Text] Neteshin (Khmelnitsk Region, Ukraine) 7 July TASS—Today at 0932, the first operating energy unit of the Khmelnitsk nuclear power station was temporarily stopped.

The reason for this was the lowered resistance of insulation in the excitement circuit of the turbogenerator.

It is planned to complete repairs by 1900 today.

The radiation situation around the nuclear power station has not changed.

Nuclear Chief Says $4-6 Billion Needed To Close Chernobyl

LD0707203194 Moscow INTERFAX in English 1843 GMT 7 Jul 94

[Text] If the Chernobyl nuclear power station is closed down now, the entire power system of Ukraine would collapse, Mikhail Umanets, chairman of the Ukrainian State Nuclear Energy Committee said at a news conference in Kiev on July 7.

He said that to make up for the loss of the Chernobyl station the country would have to commission five 1000 MW unit which could not be done in less than five to six years.

It would take nearly 15 years to build the equivalent thermal power stations, he said.

Umanets said that $4 to $6 billion would be needed to overcome these problems and the decommissioning of the station would take at least 25 years.

He also said that the Ukrainian nuclear power stations had generated nearly 30 percent of the country's total energy in 1993. Last winter they accounted for 40 percent and in the first half of 1994, 38.5 percent of the total energy produced in Ukraine.

Aid to Ukraine in closing down the Chernobyl station is on the agenda of the G7 summit in Naples.

'Blind Eye' Turned to Growing Violations at Nuclear Plants

WS0807083594 Kiev VECHIRNIY KYYIV in Ukrainian 29 Jun 94 p 1

[Unattributed report: "Peaceful Atom Became 19 Percent More Dangerous"]

[Text] This alarming evidence was gathered from all Ukrainian nuclear power stations following inspections

conducted by the State Atomic Committee [Derzhatomnahlyad] last year. A total of 167 violations were reported at those stations—a 19-percent increase over the previous year.

The main reasons for the surge in violations is the decline in personnel qualifications, lax discipline, the deterioration of equipment, and overall sloppiness. The impression is that everyone turned a blind eye to all of this. For example, 40 percent of all violations (50) in 1992 were reported at the Zaporozhye nuclear power plant. They were apparently just registered, and no preventive measures were ever taken. As a result, the number of violations at this station rose to 80 in 1993—a 60-percent increase. One violation every five days! In 1993, the number of violations increased by almost 150 percent at the Chernobyl station. This is the station that was claimed to be safer when operational than shut down. As we can see, it is dangerous and is becoming even more so, all in front of the eyes of nuclear industry leaders. Pressing to keep the increasingly dangerous station going, they argue that no unit can be decomissioned given the present energy shortage. They forget, however, that due to violations, unexpected stoppages, and sloppiness in adhering to safety standards, Ukrainian nuclear stations generated 12 percent less energy last year than planned. In other words, one and a half of the "millionaire units" actually stood idle.

Also, no one knows the whereabouts of the remaining fuel from the No. 4 reactor, now encased in the "Shelter" facility.

On 3 July, a group of Supreme Council deputies accompanied by journalists is going to tour the Chernobyl station. The commission will examine problems facing the nuclear industry. Will the deputies take into consideration the above statistics? Will the new president intervene with these dangerous games? Everything will depend on whom we elect.

Government Expecting Worst Grain Harvest for 20 Years

LD0707182694 Moscow INTERFAX in English 1603 GMT 7 Jul 94

[Text] This year's grain harvest in Ukraine will be the worst for the last 20 years and will be at most 34 million tonnes,the Ukrainian Prime Minister Vitaliy Masol told a session of parliament on Thursday [7 July].

Masol said that government policy would be aimed at avoiding a rise in the wholesale price of grain, which could be followed by a 300 percent rise in the retail price of bread.

Ukraine's gross grain production in 1993 was 45.6 million tonnes, in 1992— 38.5 million tonnes, and in 1991—38.7 million tonnes.

Masol did not mention whether lower gross grain production meant Ukraine would have to import grain.

He also told parliament that during his recent visit to Minsk he had asked the Russian Energy Minister Yuriy Shafrannik to supply Ukraine with fuel for agriculture on a six-month credit.

Masol said he had been given "appropriate promises."

A Russian delegation is expected to arrive in Kiev after 20 July to hold talks on the issue.

Masol said that Ukraine's new government will probably meet in session for the first time as early as next Monday.

Belarus

Communists Say Neither Candidate Suitable for Presidency

WS0707135694 Minsk BELAPAN in Belarusian 1300 GMT 7 Jul 94

[Text] As BELAPAN has learned, the Party of Belarusian Communists has released an appeal to all its supporters, in which it urges them to go to the polls on 10 July and vote against both of the presidential candidates. In the Communists' opinion, neither candidate is capable of leading Belarus out of the current socioeconomic crisis.

Movement Reaffirms Support for Kebich

WS0707135794 Minsk BELAPAN in Belarusian 1300 GMT 7 Jul 94

[Text] Syarhey Haydukevich, chairman of the People's Movement of Belarus [NDB], has come forward with a statement saying that representatives of the Party of Belarusian Communists, the Movement for Democracy, Social Progress, and Justice, and the Belarusian Komsomol, who comprise the NDB Coordinative Committee, are disrupting the movement's work. "Their destructive position was particularly clearly demonstrated during the first round of presidential elections."

At the latest meeting of the NDB Coordinative Committee, it was decided to request that the management bodies of the aforementioned organizations replace their representatives to the coordinative committee. "The majority of parties and organizations, which comprise NDB, support the candidacy of Vyachaslaw Kebich for the office of Belarusian president," the statement says.

Syarhey Haydukevich has also sent an open letter to Supreme Soviet People's Deputy Alyaksandr Lukashenka, in which he states that the latter, by "assaulting" the NDB chairman in his statements, is only boosting support for him.

Minsk, Vilnius Agree To Settle Border Dispute

LD0707172194 Moscow INTERFAX in English 1453 GMT 7 Jul 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Belarus will pay for all railway sections and junctions on its territory until 1 September, although they have been used by Lithuania up to date.

IF Note: Participants in Belarussian [Belarusian]-Lithuanian talks on borders limitation and demarcation have run up against the problem of the Gadutishki railway junction, which, being on the territory of Belarus, was made by an order from the ex-USSR railway minister part of the Baltic Rail Road and has been run by Lithuania ever since.

As the Secretary of the Belarussian Parliament's Commission for International Affairs and Foreign Economic Ties Valentin Golubev believes, "the problem of the Gadutishki station is non-existent since it is situated on Belarussian territory." In his opinion, there are problems for separate Lithuanian politicians, wishing to create the impression that Belarus allegedly claims what belongs to Lithuania.

He told INTERFAX that "Belarus would never let a conflict to flare up, even if Lithuania will further ostensibly claim the junction." In his words, the possibility of laying a parallel railroad across Belarus near Gadutishki is being studied. If this project works, the station will become unnecessary, he remarked.

When they met in Minsk recently, the Belarussian Parliament's Chairman Mecheslav Grib and Lithuania's President Algirdas Brazauskas agreed that the problem could be easily solved.

EBRD Prepared To Subsidize 40 Energy Saving Programs

WS0807095894 Minsk Radio Minsk Network in Belarusian 0700 GMT 8 Jul 94

[Text] The European Bank for Reconstruction and Development [EBRD] is ready to discuss and subsidize 40 energy saving programs in various branches of the Belarusian economy. Preference, however, will be given to private and stock enterprises or enterprises undergoing privatization. These credits will be issued at a very low interest rate.

Moldova

Tiraspol Opposes Withdrawal of 14th Army

AU0707125694 Chisinau BASAPRESS in English 2300 GMT 5 Jul 94

[Text] Chisinau BASAPRESS, 5/7/1994—The official Dniester press service states in a press communique that Stepan Kitsak, Tiraspol representative in the talks on the 14th Army status and withdrawal, said that the Dniester side constantly opposes 14th Army's withdrawal and that "Russian troops should always stay in the Moldovan Dniester Republic whether it be an army, military base or other contingent." According to Kitsak, Dniester representatives attend all rounds of negotiations as observers, but are completely able to state their viewpoint on the elaborated articles and make proposals. The 10th round of talks will be held late July in Chisinau.

Issues New Daily, Postpones Privatization

AU0707141994 Chisinau BASAPRESS in English 2010 GMT 6 Jul 94

[Text] Tiraspol BASAPRESS, 6/7/1994—Yesterday, the Dniester Republic Supreme Soviet decided to establish a new official daily to be printed in Russian. Vladimir

Maslenikov, former deputy editor-in-chief of the newspaper DNESTROVSKAYA PRAVDA, was appointed editor-in-chief of the new daily. Previously, 13 deputies demanded the Tiraspol Parliament to change the editors of DNESTROVSKAYA PRAVDA and DNESTROVSKIY MERIDIAN, as they publish articles written by opposition and 14th Army representatives. Several Tiraspol reporters told BASAPRESS that the Tiraspol officials will stop funding the newspapers DNESTROVSKAYA PRAVDA and DNESTROVSKIY MERIDIAN due to their refusal to accept censorship of their articles.

Yesterday, the Dniester Parliament examined the problem of privatization in the Dniester Republic. The beginning of privatization was postponed to gain time for the elaboration of a law on privatization. A number of 40 people representing the OSTK, the Dniester Women's Union, and other neo-communist associations, protested in front of the parliament building demanding prohibition of privatization in Dniester.

Dniester Republic President Interviewed

PM0707145394 Moscow SOVETSKAYA ROSSIYA in Russian 5 Jul 94 pp 1, 3

[Interview with Dniester Moldavian Republic President Igor Smirnov by Sergey Turchenko; place and date not given: "Two-Year Breather"]

[Text] Two years ago, Russian troops began their first peacemaking operation in the Dniester Region, halting the bloody conflict unleashed by the Snegur clique. What are the prospects for this, our military's mission, today? What has the two-year conflict-free breather given the Dniester Moldavian Republic? We discussed this subject with Igor Nikolayevich Smirnov, president of the Dniester Moldavian Republic, during his recent stay in Moscow.

[Smirnov] First and foremost, I would like to dwell on the results of the international conference on the problems of peacemaking activity held at the end of June in Moscow. The main thing that our delegation took away from there was a clear feeling that the West is very reluctant to give Russia an international mandate for peacemaking activity. Russia's actions are perceived and appraised as aggressive and imperialistic. Attempts are being made to implant in the public's mind the idea that NATO troops could successfully perform peacemaking functions on CIS territory. In doing so, the fact that nobody can judge the nature of Russia's peacemaking activity more objectively and more fully than the people of the Dniester Region, Abkhazia, and North Ossetia, who have themselves experienced aid from the Russian military, is taken out of the equation.

In my view, the success of Russia's peacemaking mission in the Dniester Region is conditioned by a number of historical, political, and economic factors. Our region has been Russian since time immemorial. The population here comprises 40 percent Moldavians [Moldovans], 20 percent Russians, and almost as many again are Ukrainians. And they all consider themselves Russian. Therefore, if troops from any other country were to arrive here on a peacemaking mission, the population would view this extremely negatively. We are very grateful to Russia for halting the bloodshed two years ago. Two years of peaceful development have revealed the republic's high potential. Suffice it to say that we are probably the only republic on former USSR territory that does not owe a single kopek or a single cent in foreign debts while enjoying quite a stable living standard for the population.

[Turchenko] The so-called world community often accuses the Dniester Moldavian Republic leadership of political intransigence. Are there any terms under which you could move toward rapprochement with Moldova? After all, peacemaking troops cannot stay forever on the dividing line between forces.

[Smirnov] Our terms are as clear as can be. In our statement, we confirmed the status quo—in other words, we are demanding recognition of the status of things existing as of today: We have state structures, a Ministry of Defense, a Ministry of Internal Affairs, a Ministry of Security, border guard troops, customs posts, and a legislative and judicial branches of power. Proceeding from this reality, we are prepared to work further and draw closer on a treaty basis. But look how the question is put: Moldova, it is said, should grant us statehood. The fact is, we have had it since 1924, when Moldova still had no such thing.

[Turchenko] Forgive me, but there is one more accusation against you from certain international organizations which I must mention. Incidentally, it has oft been noted that Western do-gooders always cite this accusation when they are striving to rock the boat in a zone of "their interests." The matter concerns the notorious human rights.

[Smirnov] It has to be said that the activity of sundry humanitarian international organizations is—to put it mildly—strange. We have not received any specific help from a single one of them. All we get are orders, sermons, and mud-slinging. By the way, we do not even need this help. We grant access to any delegations, any international monitors. But we can see that, as a rule, they are looking only for what they want to see. But let us look at how human rights are guaranteed: first, through legislative acts, and second, via the mechanism to implement them. We have a bicameral parliament, Moldova does not. We have three official state languages, and dual citizenship.

[Turchenko] Alarming reports are coming in about the beginning of the withdrawal of Russian troops from the Dniester Region. Is this true?

[Smirnov] This question will be discussed in July this year at the next round of Russian-Moldovan talks. We

are participating in them in the capacity of observers, without the right to vote—paradoxical though this may be since, after all, the troops are on our territory. The start of troop withdrawals has not been announced officially, although some kind of movement can already be seen. There is a special problem with the 14th Army. It has become an organic part of our republic. Its withdrawal was met with much opposition from the population. It is clear why. But I would like to warn any hotheads not to cherish any hopes about any assumed withdrawal of the 14th Army. We are no longer the people we were, say, two years ago. The people have realized that nobody will protect them but themselves. We have our own Armed Forces. And we have a population the majority of which has served in the 14th Army. Of course, we would be very reluctant to see the army leave. But it is Russian, and any decision can only be made in Moscow. We are merely putting forward one condition: If—God forbid—the 14th Army is withdrawn, then its property should remain in the Dniester Moldavian Republic. This is only fair, as hardware from the USSR Armed Forces remained in Moldova.

[Turchenko] In recent times, much has been said and written about the tarnished relations between you and 14th Army Commander General Lebed....

[Smirnov] What kind of relations am I supposed to have with him? They can only be official: Like those of a republic president and the commander of an army stationed on its territory. As for Lebed's sundry attacks, these proceed purely from his personal qualities, and have nothing to do with the matter.

[Turchenko] And nevertheless, these attacks may have a negative effect upon the authority of the leadership of the Dniester Moldavian Republic in the public's mind. After all, Lebed's closest associate—Military Commandant Bergman who, in his own words, communicates by telephone with Washington almost every evening—is accusing you of every sin going.

[Smirnov] It may be unfitting for a president, but I was forced to take out a lawsuit against Bergman and I asked the television leadership to broadcast the trial in full. The last laugh will be when Bergman produces in court "evidence" to prove his insinuations, insofar as they are so groundless that it is comical.

Somebody somewhere desperately wants to discredit the Dniester Moldavian Republic. But the fact is that elsewhere there is inflation, while in that republic there are stable living standards. All around, nationalism spurts blood, while in the Dniester Moldavian Republic different nations live like brothers. They are trying to create a smokescreen of lies around the Dniester Moldavian Republic. But, as the Oriental saying goes, while the dog barks, the caravan moves on....

Gagauz Leaders Join 'Unrecognized States' Union

AU0707115294 Chisinau BASAPRESS in English 2300 GMT 4 Jul 94

[Text] Chisinau BASAPRESS, 4/7/1994—The self-proclaimed Gagauz republic adhered last week to the so-called Unrecognized States' Union established at the conference "Right of Peoples to Self-Determination" held late May in Tiraspol. Previously, Abkhazia, Southern Ossetia and Dniester joined this union. The Constitution documents state that "these countries have not been yet recognized by the international community." Pyotr Zavricohko [name as received], Gagauz minister of foreign affairs, told BASA that "thus our countries fulfill their right to self-determination as a critical factor of their existence." According to local observers, Comrat initially refused to adhere despite Tiraspol's persistency. Gagauz leaders wanted to avoid difficulties before a spectral status is adopted by the Moldovan Parliament. According to observers, Comrat's decision to join the illegal organization proves that it restored the old alliance with Tiraspol to influence Moldova.

Comrat Objects to Chisinau's Plans for Gagauzia

AU0707142194 Chisinau BASAPRESS in English 2300 GMT 5 Jul 94

[Text] Chisinau BASAPRESS, 5/7/1994—Yesterday, the Moldovan Government sent to Comrat officials notification of a series of alterations to the "Gagauz-Eri" project of spectral juridical status for the districts densely inhabited by Gagauzians. The government proposed to get rid of the statement "assurance of political and economic independence" and to replace the notion "Gagauz people" with "Gagauz population." Chisinau also proposes to replace "national- territorial autonomous entity" with "national-administrative autonomous entity. The Moldovan Government's alterations to the 'Gagauz-Eri-Gagauzia' project of special juridical status is nothing but a profanation of the Gagauz people's wish to self-determination expressed on 19 August 1990 and confirmed by various actions, including the 6 March opinion poll," stated to BASA Vasili Neikovchev [name as received], Comrat parliamentary spokesman. The Gagauz leadership conceded its initial positions—from "independent state formation" to "Gagauz-Eri" special juridical status. Neikovchev said that it showed sufficient willingness to settle the conflict between Comrat and Chisinau. "We analyzed the Chisinau viewpoints expressed in a series of modifications to the project and arrived at the conclusion that they contradict the statements made by President Mircea Snegur and Premier Andrei Sangheli at the 17 March session in Comrat. They said that the Gagauz problem will be settled on the basis of the project elaborated by the 7th Congress of Gagauz deputies of all levels," said Neikovchev. "The Gagauzians' denomination as an people is again in question. There is no difference between "national-administrative autonomous" and "national-territorial"

titles which both under Moldovan district administration have no rights, including the right to political and economic development, and leave only the right to cultural development. The government's revisions eliminate all Gagauz-Eri's prerogatives and empowerment. This would mean that the same hierarchy would remain in the relations between Comrat and Chisinau. Thus, the government proposes a project that is from the very beginning doomed to failure. It deliberately violates its promises and obliges us to use the project approved by the 7th Congress of deputies of all levels," said Neikovchev.

Council of Europe Criticizes Draft Bill on Gagauz

AU0707140394 Chisinau BASAPRESS in English 2010 GMT 6 Jul 94

[Text] Chisinau BASAPRESS, 6/7/1994—Yesterday, the parliamentary factions received the recommendation on the Gagauz Eri project by the Council of Europe Political Commission. Dumitru Diacov, chairman of the Parliamentary Commission for Foreign Relations, told BASAPRESS that the Council of Europe objected to the statements introduced at the Gagauz side's insistence. According to the Council of Europe, the project does not contain clear stipulations concerning the rights of other ethnic minorities living in the Gagauz Republic. "The Gagauz population represents 80 percent. However, the project does not specify who is responsible for observing the rights of other ethnic minorities. A proportion of 20 percent of the Gagauz population lives outside the districts with special status and the project states nothing about them," said Diacov. He also said that it can be interpreted from the project that a demarcation line between the Gagauz territory and Moldova would be established, and the Council of Europe rejects this idea. "According to the Council of Europe, migration problems should be decided upon, not according to Comrat's project, but by Chisinau," Diacov said. He added that the project will be debated and adopted by Parliament before 1 August, when the legislators' vacation starts.

Popov Returns From Black Sea Conference in Tbilisi

AU0707111894 Chisinau BASAPRESS in English 2300 GMT 4 Jul 94

[Text] Chisinau BASAPRESS, 4/7/1994—Yesterday, the Moldovan Minister of Foreign Affairs Mihai Popov returned from the fourth reunion of foreign ministers of Black Sea states, held 28-30 June in Tbilisi. Popov declared that the most important aspect of the reunion was the creation of the Bank for Cooperation and Development of the Black Sea headquartered in Greece. "The agreement on the creation of the bank will be signed by Mold ova, ratified by the Parliament, after which we become founding members of this financial organism," said Popov. The agreement will permit Moldova to obtain credits for implementation of some projects of common interest for the member countries' economies. During the next nine months Greece will hold the presidency of the Economic Cooperation of Black Sea countries. Beginning April 1995 Moldova will detain the presidency title for six months. According to the quoted source, in October 1995 Chisinau will host a reunion of Foreign Ministers. Popov had also a meeting with the Georgian leader, Eduard Shevardnadze. They discussed the signing of the main agreement this year between the two states; it is possible that Shevardnadze will visit Moldova.

FPCD Objects To Certain Constitution Provisions

AU0707115494 Chisinau BASAPRESS in English 2300 GMT 4 Jul 94

[Text] Chisinau BASAPRESS, 4/7/1994—Ion Tanase, member of the parliamentary commission elaborating the Constitution told the BASA reporter that the Christian Democratic Popular Front [FPCD] faction proposed the preamble of the new Constitution to begin with the Declaration of Independence, as the existing formulations are ambiguous. In the FPCD position, Article 10 of the Constitution saying "the state has as foundation the people of the Republic of Moldova" could generate attempts to append to the notion of people the statement "consisting of Moldovans and other nationalities." As for Article 13, which gives name to the official language of the Republic, Tanase said none of the three proposed variants reflects the truth. "Everyone knows that the language spoken by most Moldovan population is Romanian, but this variant was not mentioned in the Constitution." If the Constitution is adopted as proposed by the agrarians and socialists, one of the damages would be the disappearance of Romanians as ethnic identity in Bessarabia, warned Tanase. Previously, he had suggested that an eventual impasse in adopting the present variant of Constitution could be only surpassed by the attendance of all population to the referendum.

Kazakhstan

Kyrgyz, Uzbek Presidents Arrive in Almaty

LD0807085394 Moscow Radio Rossii Network in Russian 0700 GMT 7 Jul 94

[Text] Statesmen from Kirghizia [Kyrgyzstan] and Uzbekistan, headed by the presidents of the two countries, arrived in Alma-Ata [Almaty] this morning.

While visiting the capital of Kazakhstan they will take part in a trilateral meeting with the president of Kazakhstan, devoted to the prospects for creating an economic alliance among these states.

Nursultan Nazarbayev, Islam Karimov, and Askar Akayev also intend to reach agreement on setting up a Central Asian Development Bank and to sign a number of other documents, ITAR-TASS reported.

Foreign Minister on Nazarbayev-Menem Meeting

LD0707125694 Almaty Kazakh Radio Network in Kazakh 0100 GMT 7 Jul 94

[Text] Foreign Minister Kanat Saudabayev presented a paper to the second international conference of new and revived democracies in Managua. He spoke about democratic processes in the world and stressed the role of intelligentsia and politicians in the creation and preservation of the atmosphere of tolerance and understanding in the countries striving to build democratic societies. Kanat Saudabayev held a meeting with Violeta Chamorro, president of Nicaragua. He also had a meeting with Osvaldo Daniel Castruccio, the secretary of justice of the Argentine Republic. The sides discussed possibilities for developing economic, and cultural cooperation, as well as establishing contacts at the state level. They also spoke about the need for an urgent implementation of the accord on a meeting between President Nazarbayev and Carlos Menem. Its time will be agreed through diplomatic channels.

Nazarbayev Addresses Transportation Ministers

LD0707161494 Almaty KAZTAG in Russian 1200 GMT 7 Jul 94

[Text] [No dateline as received]—[Kazakhstan President] Nazarbayev compares the idea of the Eurasian Union with the integrational process in aviation.

The coordination conference of the CIS transport ministers with the participation of the ICAO—International Civil Aviation Organization—Secretary General Phillippe Rochat, opened in Almaty on 6 July. The heads of the transport departments from eight republics are having the best of both worlds because their conference coincides with the 50th anniversary of the ICAO. For this reason, the first day is spent to celebrate the ICAO anniversary whose flag is flying in Almaty for the first time ever. The second day will be devoted to the work proper.

Nursultan Nazarbayev spoke at the conference chaired by Tatiana Anodina, the chairperson of the Interstate Airways Company. Nazarbayev compared the Eurasian Union's idea with the integrational processes in aviation based on the ICAO. He stressed again that there is no alternative to the union, to effective cooperation of people in the post-Soviet area.

Even with a quick glance at the participants of the conference, the idea suggested that current separation of the peoples into appanage principalities contradicts the very essence of man. The ministers who know each other due to their years-long work in the USSR were greeting each other like relatives. Tatiana Anodina, who congratulated Nazarbayev on his birthday and presented him with a small crystal plane, kissed the president of Kazakhstan, and correspondents have captioned that moment of human frankness for history.

Cabinet of Ministers Examines Government Policy

LD0707162294 Almaty Kazakh Radio Network in Kazakh 1400 GMT 7 Jul 94

[Text] The Cabinet of Ministers today examined government policy with regard to lifting the country's economy out of crisis and the main directions for deepening and facilitating reforms. Ministers and departments have made amends and corrections to these documents, while heads of regional administrations have taken a passive stance.

The prime minister and his first deputy Kazhegeldin answered questions from those present. Some members of the Cabinet of Ministers spoke about the need for strengthening the points related to the increase in the republican export potential, restore the practice for goods licensing, crediting [word indistinct], stabilizing taxation, and ensuring social protection of invalids and pensioners.

Parliament Continues To Examine 1994 Draft Budget

LD0707154794 Almaty Kazakh Radio Network in Kazakh 1400 GMT 7 Jul 94

[Text] There was a break in the morning plenary parliament session today to give deputies a chance to study proposals by a concialatory commission on the 1994 budget. Orazgeldy Baymuratov, chairman of the concialatory commission; Erkezhbay Derbisov, minister of finance; and Valentin Makalkin, chairman of the committee for social protection of the population, presented their joint report in the afternoon. Deputies then voted in favor of the main provisions of the report which was presented to them with regard to the budget deficit and the minimum wage. The next plenary session will take place on 8 July and it will examine the draft budget.

Kyrgyzstan

Deputy Defense Minister Demoted for Illegal Arms Trading

LD0807091494 Moscow Radio Rossii Network in Russian 0800 GMT 8 Jul 94

[Text] ITAR-TASS informs us that Major-General (Tabaldy Moldabayev) has been stripped of all his ranks and has been released from the post of Kyrgyz deputy Minister of Defense. A decree of Askar Akayev, president of the Republic, on this subject has been made public today. It is reported that this decision was made in connection with intrigues in selling weapons in which the former Maj.-Gen. was involved. (Moldabayev) used his post for personal enrichment and filled his pocket through the activities of the Kanat business project that provided for the self-financing of the republican armed forces.

World Bank To Help Improve Social Welfare

LD0807090094 Moscow ITAR-TASS in English 0711 GMT 8 Jul 94

[Report by ITAR-TASS correspondent Andrey Loschilin]

[Text] Washington 8 July TASS— An international association of development belonging to the World Bank has approved of a decision to grant a credit to Kyrgyzstan worth $17 million. These funds will be used to "ease social consequences of the process of the creation of the market economy in the country," the international association said Thursday. [7 July]

The interest-free credit to be repaid beginning 10 years from now, was granted to Bishkek to take measures to support part of the Kyrgyz population living below the poverty line. The programme worked out by the Kyrgyz Government for this purpose has been estimated at $20.8 million and will be financed to 82 per cent by the international association of development. Switzerland is expected to contribute $2.7 million for the implementation of the programme, and $1.1 million will be provided by Kyrgyzstan itself.

This is the fourth consecutive credit granted to Kyrgyzstan by the group of the World Bank since Kyrgyzstan joined this organisation in September, 1992. The total amount of aid provided by the World Bank to Kyrgyzstan reached $155 million.

Official Calls for Regional Economic Confederation

LD0707180494 Moscow INTERFAX in English 1453 GMT 7 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] The creation of an economic union by three Central Asian states (Kazakhstan, Kyrgyzstan, and Uzbekistan) is feasible, presidential economic aide Nurlan Eshmambetov.

He is confident that the package of agreements on coordinating bodies and economic institutions the three countries are expected to sign in Alma-Ata [Almaty] on 8 July will be workable unlike that of the CIS economic union.

He said that one main reason was a stronger drive for regional integration. The other, Kazakhstan and Uzbekistan have now become Dushanbe's main trading partners with Russia coming only a third, Eshmambetov said.

This in itself, said the aide, gives grounds for closes economic cooperation between the three Central Asian states. Much as Kazakhstan, Uzbekistan possessing huge economic and energy potentials will seek its own interests, Eshmambetov said. However, the social and cultural affinity they have with Kyrgyzstan will help towards closer integration with it than Tajikistan which shares the common border and economic structure with Kyrgyzstan, he said.

The aide thinks Russia finds it hard to join the process of regional integration because of a lack of economic interest in Central Asia for the time being.

He also called for rallying effort by the three regional parliament so as to narrow the gap in the three states' economic legislation.

As the first step towards economic integration by the former Soviet republics, said Eshmambetov, regional economic confederations must be set up in Central Asia, the Baltic region, between Belarus and Ukraine, and in Transcaucasia. "Later, those regional markets can merge into one economic union and the Eurasian Confederation as a longer range prospect," he said.

Eshmambetov believes that by the year 2000, the CIS states will have realized the need to form a confederation.

Tajikistan

Rakhmonov Receives Russian Ambassador

LD0807102694 Moscow ITAR-TASS in English 0954 GMT 8 Jul 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 8 July TASS—Russian Government supports efforts of Tajik leaders aimed at stabilizing social and political situation in the country, Mechislav Senkevich, Russian ambassador extraordinary and plenipotentiary, told Tajik Premier Emomali Rakhmonov on Friday [8 July].

The meeting was arranged at Senkevich's request. On behalf of Russian President Boris Yeltsin, the Russian diplomat handed over Yeltsin's book "President's Notes" autographed by the author.

Rakhmonov expressed gratitude for the attention Russian leadership is paying to the republic's problems and concrete aid it is giving to its people.

Tajikistan remains attached to the cause of peaceful political settlement of the interTajik conflict for the sake of the unity and integrity of the nation and firmly follows the course of building a democratic, secular and law-governed state, Rakhmonov assured.

These principles are reflected in the draft constitution of Tajikistan which will be submitted to a forthcoming nation-wide referendum, he said.

Armenia

Regional Figures Attend CSCE Talks

NC0707131494 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0734 GMT 7 Jul 94

[Text] Yerevan ("GOLOS ARMENII" daily), 07/07/94—A regular CSCE Minsk group conference started in Vienna yesterday. Delegations of the RMK [Republic of Mountainous Karabakh], Azerbaijan and Armenia are participating in its work.

The Armenian delegation is headed by the Chairman of the RA [Republic of Armenia] Supreme Council Babken Ararktsyan, Azeri - by Rasul Guliyev, the RMK - by Karen Baburyan.

The conference will last till July 8, and a press conference of the CSCE Minsk group Chairman Jan Eliasson is expected upon its finish.

Karabakh Foreign Minister Sees Good Conditions for Peace

NC0707130494 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0734 GMT 7 Jul 94

[Text] Stepanakert ("AZG" daily), 07/07/94—The sides of the Karabakh conflict still refrain from active military operations.

According to the RMK [Republic of Mountainous Karabakh] defense army Headquarters, the Armenian forces usually refrain from returning the fire after short shellings of the Azeri troops.

The RMK military reconnaissance reports significant enemy manpower and equipment concentration in the direction of the village of Gevorgavan in the Martuninskiy district.

The RMK Minister of Foreign Affairs Arkadiy Gukasyan said, "favorable conditions are now created for establishing long lasting peace and starting Karabakh-Azeri bilateral negotiations within the CIS or CSCE framework". According to Gukasyan, Mountainous Karabakh has never supported resolution of the conflict by force, and if Baku understands that this approach is hopeless, then peace efforts by the international community may be crowned.

The minister noted that possibility of resuming military operations may not be excluded as long as there is no legal document obliging the sides and as long as no disengagement forces have been stationed in the region. The RMK has thus to keep its own forces in battle preparedness state, as this is the only guarantee to insure safety of the population of the republic today.

Azerbaijan

Turkish Chief of Staff Arrives for Visit

NC0707163794 Baku AZERTAC in English 1539 GMT 7 Jul 94

[Text] Baku, 7 July (AZERTAC)—Issues concerning separation of the belligerents' forces in the zone of the conflict over Nagorno-Karabakh will be discussed at the meeting between the Azerbaijani President Geydar Aliyev and the chief of the headquarters of the Turkish armed forces, General of the Army Dogan Gures. Today, Dogan Gures arrived in Baku by the Azerbaijani president's invitation. "I do not rule out possibility of the Turkish contingent participation in the peacekeeping forces which can be sent to the region under the aegis of the CSCE," the General of the Army Dogan Gures said at his meeting with journalists.

Aliyev, Gures Discuss Nagorno-Karabakh

LD0707164394 Moscow ITAR-TASS in English 1526 GMT 7 Jul 94

[Report by ITAR-TASS correspondents Sevinj Abdullaeva and Viktor Shulman]

[Text] Baku 7 July TASS—A Turkish high-ranking military official stated today that he did not exclude sending Turkish peacekeepers to the disputed Armenian enclave of Nagorno-Karabakh in Azerbaijan.

Turkish chief-of-staff, General Dogan Gures, told reporters upon his arrival in the Azeri capital, that "he did not exclude a possibility of the participation of a Turkish contingent in the peace-keeping forces that might be sent to the region under the aegis of the Conference on Security and Cooperation in Europe together with international observers."

General Gures was met today by President Geydar Aliyev. Local observers believe their meeting, which was held behind closed doors, supposedly concentrated on military and technical aspects of the conflicting sides' disengagement in Nagorno-Karabakh.

Aliyev Stresses Turkey's Importance

NC0707081194 Istanbul YENI GUNAYDIN in Turkish 2 Jul 94 p 14

[Report by Irfan Ulku on an interview with Azerbaijani President Geydar Aliyev by unidentified reporter in Baku; date not given]

[Text] Stressing that independent Azerbaijan is opening up to the world and that Turkey shares greatly in this, Azerbaijani President Geydar Aliyev said: "We consider the Turkish people as our own."

Indicating that Azerbaijan has a natural lobby in the shape of the Turkish state, Aliyev said: "Turkey is a fraternal state for us. Turkish statesmen are highly respected in our country."

Indicating that it is no longer possible for Azerbaijan to give up its multiparty democratic system, Aliyev said: "Azerbaijan has not enjoyed long periods of independence. It was under Russian rule for 200 years, 70 of them under the Soviet Union. It was deprived of great spiritual values during this period. Enormous problems were unleashed on Azerbaijan when it declared its independence. Our land came under Armenian occupation, with the result that we are conducting our domestic and foreign policies amid grave conditions. Turkey is a friendly and fraternal state for us. How fortunate for Azerbaijan that it has a superb lobby in the shape of the Turkish Republic to promote it internationally."

Stating that "we consider the Turkish people as our own," Aliyev said that misfortune had befallen Azerbaijan throughout its history and added:

"I Will Not Pave the Way for Those Who Want To Dismember Azerbaijan"

"Internal division and fragmentation among the Azerbaijanis have been the real cause of the misfortune. Now Azerbaijan is an independent state. We will not allow efforts from within or without to dismember it. There are such tendencies within Azerbaijan too. Now Azerbaijan has set out on a course of democracy and a multiparty system. I am also on this course. There are over 40 political parties here, but while being politically active, these parties should unite for the purpose of Azerbaijan's territorial integrity. Azerbaijan should be a single front, something that is necessary to consolidate our independence. We are at war with Armenia and they have occupied a part of our territory. That is why we need this unity."

Stating that the Armenians and some countries want to dismember Azerbaijan, Aliyev added:

"I Signed It Before Anyone Else"

"We are living in a democracy. Each party will tread its own path. But they should be on guard against the dangers from within and without against Azerbaijan's independence. We must unite around the goal of maintaining Azerbaijan's independence. Azerbaijan is opening up to the world. We are taking important and multidimensional steps in foreign policy. Let me give you an example: The East European countries did not want to sign NATO's Partnership for Peace Agreement. They were debating among themselves whether or not to sign it. I never hesitated. I went to Belgium and signed it before anyone else, because this agreement was very important for our country. I signed it without consulting another state. We were first among the former East European and Soviet republics to sign it. They were saying: Let us consult Russia. As you saw, Russia, too, eventually signed the Partnership for Peace Agreement. Azerbaijan acceded to this agreement before Russia."

Karabakh Requests Legal Document on Cease-Fire

LD0707195094 Moscow Radio Rossii Network in Russian 1700 GMT 7 Jul 94

[Text] ITAR-TASS reports that Arkadiy Gukasyan, Nagorno-Karabakh foreign minister, has sent a letter to Jan Eliasson, head of the Minsk CSCE conference on Nagorno-Karabakh, and Russia's special envoy Vladimir Kazimirov. The letter expresses serious concern over the absence of a legal document on a cease-fire in the zone of the Armenian-Azerbaijani conflict. The Nagorno-Karabakh government, the letter says, confirms its adherence to a peaceful settlement to the conflict and proposes that the document approved by the CSCE be signed as soon as possible.

Proposals for Strengthening Borders Prepared

NC0607195294 Baku TURAN in English 1851 GMT 6 Jul 94

[Text] Baku, 6 July (TURAN)—A plan of measures on strengthening the borders protection regime, TURAN was told by Abasali Novruzov, head of frontier troops in the Azerbaijan Ministry of National Security.

According to Novruzov, a package of proposals for implementation of provisions of Presidential Decree from 3 July 1994, adopted in regard with the explosion in Baku's metro is preparing now in the Department for frontier troops.

Novruzov confirmed the information that works on the refurbishment of wire obstacles on some parts of Azerbaijan borders are being conducted now, including Iranian-Azeri border. "These measures can prevent controlless crossing of country's state border, as well as taking out weapons, ammunition and drugs," noted Novruzov.

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